MBM Resources Berhad

Registration No. 199301029757 (284496-V)

SCALING NEW HEIGHTS

ANNUAL REPORT 2022

We celebrate the achievements of the Group as we "Scale New Heights" in a year of record revenue and profit experienced Group-wide. The multi colours in the landscape illustration highlights the diversity of the Group while the mountain peak is a symbol of the record revenue and profit, and the market leading positions held by our subsidiaries, associates and joint-venture.

As we move forward, we recognise the speed of change that is happening in the automotive industry post-pandemic. The illustrated panorama symbolises this transition and the overlaying canvas are our foundations that we have put in place over the years, as well as the strategies we are implementing for the future.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Encik Aqil bin Ahmad Azizuddin
Chairman, Non-Independent
Non-Executive Director

Y. Bhg. Dato' Anwar bin Haji @ Aji
Senior Independent Non-Executive Director

Mr Low Hin Choong
Non-Independent Non-Executive Director

Mr Ng Seng Kong
Non-Independent Non-Executive Director

Ms Wong Fay Lee
Non-Independent Non-Executive Director

Y. Bhg. Dato' Zulfikri bin Osman
Non-Independent Non-Executive Director

Puan Nik Fazila binti Nik Mohamed Shihabuddin
Independent Non-Executive Director

CORPORATE OFFICE

23-01, Level 23, Menara MBMR
1 Jalan Syed Putra
58000 Kuala Lumpur, Malaysia
Tel: (603) 2273 8803
Fax: (603) 2273 6803
www.mbmr.com.my

COMPANY SECRETARIES

Wong Peir Chyun (MAICSA 7018710)
(SSM PC No. 202008001742)

Wong Wai Foong (MAICSA 7001358)
(SSM PC No. 202008001472)

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Stock Code: 5983

AUDITORS

Deloitte PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel: (603) 2783 9191
Fax: (603) 2783 9111

PRINCIPAL BANKERS

CIMB Bank Berhad
HSBC Malaysia Berhad
Malayan Banking Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) Berhad

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel: (603) 2783 9299
Fax: (603) 2783 9222

FINANCIAL CALENDAR

28th Annual General Meeting: 1 June 2022

2022 RESULTS ANNOUNCEMENT

Quarter 1: 25 May 2022
Quarter 2: 25 August 2022
Quarter 3: 24 November 2022
Quarter 4: 20 February 2023

DIVIDEND PAYMENTS:

Final for 2021:
30 June 2022

First Interim for 2022:
30 September 2022

Special for 2022:
30 September 2022

Second Interim for 2022:
21 March 2023

Special for 2022:
21 March 2023

CORPORATE PROFILE

MBM Resources Berhad ("MBMR") is an automotive group with diverse investments in distributorship and dealership of major international vehicle brands and automotive parts manufacturing in Malaysia.

The Group is well represented in all segments of the market from light trucks to medium and heavy-duty trucks and buses in the commercial vehicle market and, from compact entry level cars to luxury cars in the passenger vehicle market. Its automotive parts manufacturing division, consisting of wheels, airbags, seatbelts, steering wheels and noise, vibration and harshness (NVH) products, is a significant supplier to all the major brands in Malaysia.

OUR MISSION

To be the Automotive Partner of Choice to our Employees, Customers and Investors

OUR VISION

To be a Complete Automotive Group

MOTOR TRADING

AUTO PARTS MANUFACTURING

CORPORATE STRUCTURE

As of 13th April 2023

THE COMPLETE AUTOMOTIVE GROUP

● **Subsidiary**
● **Joint Venture**
● **Associate**

Note: A detailed list of the companies under the Group are shown in Notes 47 to 49 of the Report of the Directors and Audited Financial Statements.

Motor Trading

● Daihatsu (Malaysia) Sdn. Bhd. ("DMSB")	51.5%
● DMM Sales Sdn. Bhd. ("DMMS")	100%
● Federal Auto Holdings Berhad ("FAHB")	100%
● Federal Auto Cars Sdn. Bhd ("FAC")	100%
● F.A. Wagen Sdn. Bhd ("FAW")	100%
● Hino Motors Sales (Malaysia) Sdn. Bhd. ("HMSM")	20%
● Perusahaan Otomobil Kedua Sdn. Bhd. (Perodua)	20%

Manufacturing

● Hirotako Holdings Berhad ("HHB")	99.9%
● Hirotako Acoustics Sdn. Bhd. ("HASB")	100%
● Autoliv Hirotako Sdn. Bhd. ("AHSB")	51%
● Teck See Plastics Sdn Bhd ("TPSB")	22.1%
● Oriental Metal Industries (M) Sdn. Bhd. ("OMI")	100%
● Hino Motors Manufacturing (Malaysia) Sdn. Bhd. ("HMMM")	20%

Property

● MBMR Properties Sdn. Bhd. ("MPSB")	100%

GROUP FINANCIAL PERFORMANCE: FIVE-YEAR SUMMARY

Year ended 31st December	2018	2019	2020	2021	2022
Results (RM Million)					
Revenue	1,882.7	2,085.2	1,793.5	1,528.7	**2,307.6**
Operating profit*	48.2	81.5	61.1	61.3	**123.7**
Joint venture's results	14.3	11.9	12.7	11.1	**16.0**
Associates' results	183.1	190.8	146.9	152.8	**198.3**
Profit before tax	228.6	268.3	206.5	210.8	**323.3**
Net profit from continuing operations	213.5	257.3	190.2	195.7	**297.1**
Net profit / (loss) from discontinued operation	(24.6)	(8.1)	(7.9)	(0.2)	**13.0**
Profit for the year	188.9	249.2	182.4	195.5	**310.1**
Profit attributable to equity holders	166.8	223.7	159.0	171.2	**280.4**
Basic earnings per share (sen)	42.7	57.2	40.7	43.8	**71.7**
Operating profit* per share (sen)	12.3	20.9	15.6	15.7	**31.6**
Balance Sheets (RM Million)					
Share capital	391.7	391.7	391.7	391.7	**391.7**
Shareholders' equity	1,579.3	1,748.9	1,825.7	1,918.0	**2,054.5**
Total assets	2,106.1	2,193.6	2,255.9	2,361.0	**2,528.6**
Borrowings	145.5	35.9	7.0	23.3	**-**
Debt / Equity (%)	9.2	2.1	0.4	1.2	**-**
Net assets per share (RM)	4.0	4.5	4.7	4.9	**5.3**
Financial Ratios (%)					
Operating profit* margin	2.6	3.9	3.4	4.0	**5.4**
Return on equity	10.6	12.8	8.7	8.9	**13.6**
Return on total assets	7.9	10.2	7.0	7.3	**11.1**
Vehicle Sales (Units)					
Passenger vehicles	25,428	26,331	23,674	16,098	**24,796**
Commercial vehicles	1,537	1,682	1,597	1,457	**1,491**
Total Group	26,965	28,013	25,271	17,555	**26,287**
Equity Indices					
Closing year end share price (RM)	2.2	3.9	3.4	3.2	**3.3**
Price-earnings ratio (times)	5.2	6.8	8.4	7.3	**4.6**

The figures for 2018 have been restated to show OMI Alloy (M) Sdn Bhd as Discontinued Operation separately from the Continuing Operations.

**Operating profit defined as profit before tax excluding interest, depreciation and amortisation, joint venture's results and associates' results*

MANAGEMENT DISCUSSION AND ANALYSIS

KEY HIGHLIGHTS 2022

GROUP TOTAL

▲ 51.0%

Revenue

RM2.31 billion

(RM1.53 billion in 2021)

▲ 70.1%

Operating Profit

RM74.5 million*

(RM43.8 million* in 2021)

MOTOR TRADING

▲ 50.8%

Revenue

RM1.99 billion

(RM1.32 billion in 2021)

▲ 54.2%

Operating Profit

RM62.3 million*

(RM40.4 million* in 2021)

* Operating profit before tax from continuing operations, excluding net finance income/costs and non-operating gains.

The year 2022 has been an outstanding year for MBMR on many levels. In "Scaling New Heights", the Group recorded the highest revenue and profits in its history. Our record numbers this year was the culmination of the stellar performances of our subsidiaries, joint venture, and contributions from our associates.

AUTO PARTS MANUFACTURING

53.0%

Revenue

RM316.1 million

(RM206.6 million in 2021)

76.0%

Operating Profit

RM18.3 million*

(RM10.4 million* in 2021)

ASSOCIATES

29.8%

Share of results of associates

RM198.3 million

(RM152.8 million in 2021)

JOINT VENTURE

44.1%

Share of results of joint venture

RM16.0 million

(RM11.1 million in 2021)

Malaysia began its transition to the endemic stage of COVID-19 on 1 April 2022 with a national strategy named #ReopeningSafely. The positive sentiment and the reopening of the economy resulted in an encouraging GDP growth of 8.7%. This beats the 6.5%-7% projected in October 2022 and far exceeds the 3.1% economic growth achieved in 2021.

As for the automotive industry, the extension of the sales tax exemptions in 2022 continued to drive vehicle sales. The government's decision to allow buyers to remain eligible for the exemption on cars booked by 30 June 2022 and registered by 31 March 2023 proved to be a significant impetus for customers and manufacturers alike. The extension of the grace period assured customers of their eligibility while also allowing manufacturers to mitigate the backlog of orders.

As the year progressed, supply chain issues eased, chip shortages, labour issues and ultimately waiting times became less dire. With new exciting launches entering the market, vehicle sales continued to perform strongly in the second half of the year. As a result, the Total Industry Volume ("TIV") for the local automotive industry achieved a record high in 2022 with 720,658 units sold, well exceeding the 700,000 mark for the first time. A major contributor to this year's record TIV was Perodua, the nation's number one car brand. Perodua sold 282,019 units in 2022, a huge 48.2% jump from the 190,291 vehicles sold in 2021, and breaking its previous record high volume of 240,341 units sold in 2019 as well.

FINANCIAL PERFORMANCE

SCALING NEW HEIGHTS

The growth in revenue by 51.0% marked a first of many for the Group. In 2022, our revenue increased by RM778.9 million, placing our revenue at RM2.31 billion for the financial year compared to 2021's revenue of RM1.53 billion, with comparable percentage increases coming from both our Motor Trading Division and Auto Parts Manufacturing Division.

Sales volume in our Motor Trading Division increased sharply by 49.7%, outperforming the year-on-year TIV increase by 8.1%. This record-high volume was a combination of, among others, the sales tax exemptions, higher vehicle supplies, normalised operating conditions and our digital initiatives. The high demand for the brands we carry in our Group, particularly demand for popular models such as the Perodua Bezza, Myvi and Axia; Volvo XC40, XC60 and XC90; and the Volkswagen Tiguan, Golf, and others, certainly helped to boost our volumes for the year.

Aftersales revenue performance in our Motor Trading Division increased as well to RM193.0 million from RM155.7 million, a hike of 24.0% from the previous financial year. The improvements we made in our operational efficiency and cost management enabled our throughput to increase and strengthened our gross margin contributions for the year. The increase this year continues the long trend of the Group's year-on-year improvement in aftersales.

With the easing of the supply chain issues which plagued the industry since the start of COVID-19, production volumes in our Auto Parts Manufacturing Division grew considerably to 7.7 million units in 2022, 51.0% higher than the 5.1 million units recorded in 2021. As carmakers maximised their production to fulfil the backlog of orders received during the Government's Penjana initiative, our strategic investments in machinery and improvements in operational efficiency enabled the Division to match the demand while having the capacity to produce more.

With the aforesaid high sales volume, the Group's Operating Profit from both the Motor Trading and Auto Parts Manufacturing Divisions surged to RM74.5 million from the RM43.8 million recorded in the preceding year. This improvement of 70.1% reversed the drop in operating profit experienced last year, where we reported a contraction of 0.2%. Aside from volumes, the improvements in efficiencies and margins, better controls on discounts, as well as support from the Government and our Principals all contributed to the significant improvement in the Group's performance for the year.

During the year, the Group successfully disposed a piece of leasehold land with factory buildings located at Bandar Serendah, Selangor. In the same period, the Group had also completed the disposal of the entire alloy wheel plant and machinery housed in the same plant. The proceeds from the disposals amounted to a total of RM75.4 million with RM42.5 million of net gain recognised in the same period.

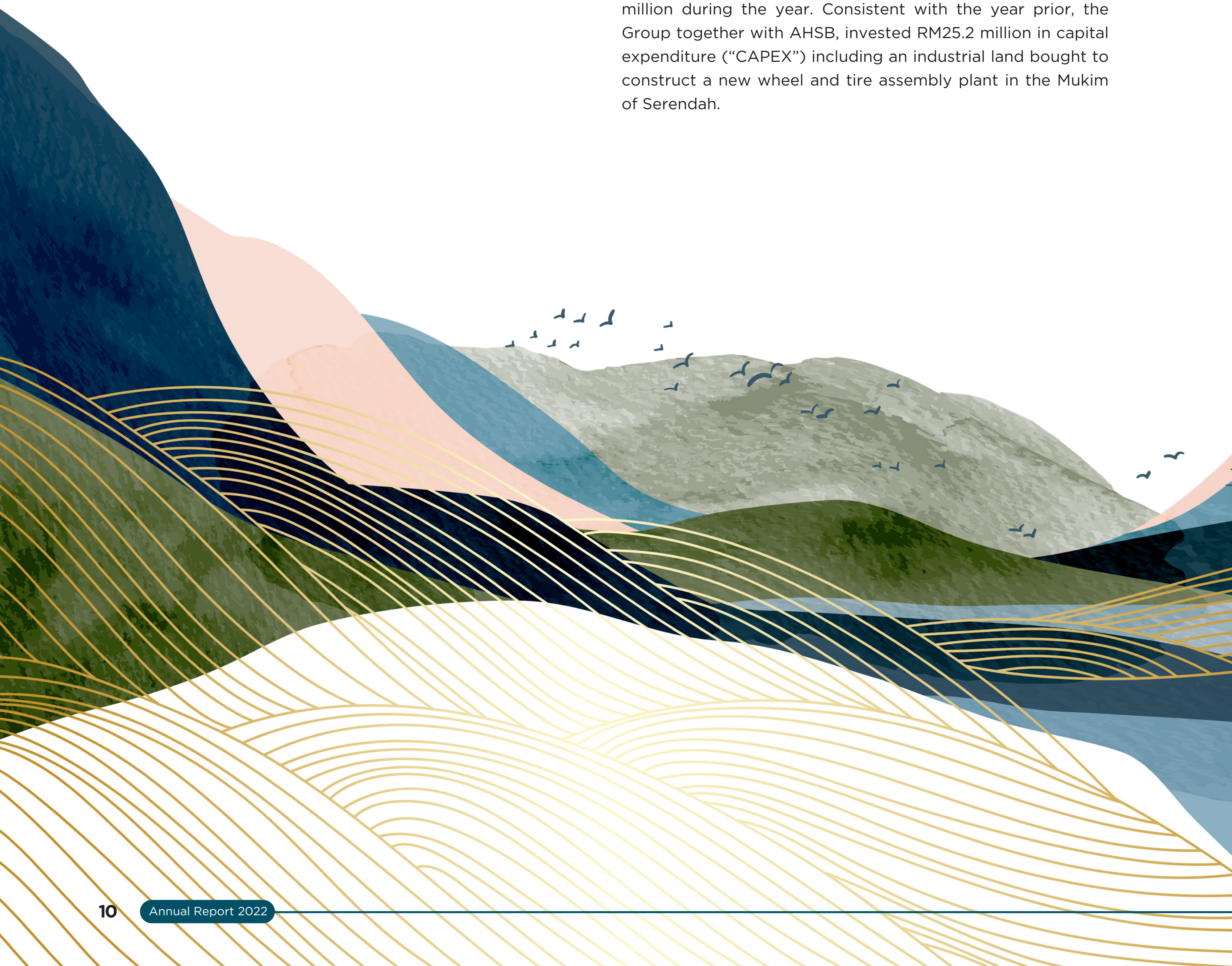
FINANCIAL PERFORMANCE **RM Mil**	**FY 2022**	**FY 2021**	**% Change**
Revenue **Continuing operations, as reported**	**2,307.6**	**1,528.7**	**51.0**
Continuing operations			
Operating profit*	74.5	43.8	**70.1**
One-off gains from disposals**	30.4	-	>100
Net finance income	4.1	3.1	32.3
Share of joint venture results	16.0	11.1	44.1
Share of associates results	198.3	152.8	29.8
Profit before tax	**323.3**	**210.8**	**53.4**
Discontinued operation			
Operating profit / (loss)	0.9	(0.2)	>100
One-off gains from disposals**	12.1	-	>100
Profit / (loss) before tax	**13.0**	**(0.2)**	**>100**

** Operating profit before tax from continuing operations, excluding net finance income / costs*
*** The one-off gains from disposals are net of incidental costs.*

FINANCIAL POSITION

Throughout the pandemic, the strength of our transformation initiatives and our drive towards continuous optimisations in operations and efficiency have enabled us to minimise the financial impact on our businesses. As normal working conditions returned in 2022, the foundation and continuation of such initiatives have boosted our performance and propelled the Group to its strongest financial position ever.

As of 31 December 2022, the Group's net profit attributable to equity shareholders increased substantially to RM280.4 million from RM171.2 million in 2021 while net assets per share (attributable to equity holders) rose from RM4.90 per share to RM5.30 per share. Given the stability of our cash flows, we have repaid in full our remaining bank borrowings of RM23.3 million during the year. Consistent with the year prior, the Group together with AHSB, invested RM25.2 million in capital expenditure ("CAPEX") including an industrial land bought to construct a new wheel and tire assembly plant in the Mukim of Serendah.



DIVIDEND

In 2022, the Group paid a total of RM144.6 million in dividends to our shareholders which translated to 37 sen per share (2021: 20 sen). The dividend payout was 85.0% or RM66.4 million higher as compared to the previous financial year. This higher dividend was inclusive of two special dividends of 10 sen each mainly coming from the aforesaid proceeds from the property disposal.

Likewise for this financial year, we have declared and paid to-date a total of 37 sen dividend (2021: 26 sen) amounting to RM144.6 million, representing the highest ever dividend paid by the Group for any financial year. Given the strong financial position of the Group, the Board felt that it was the right time to reward our shareholders with the special dividend for their continuous support. The Directors have also recommended a final dividend of 6 sen (2021: 6 sen) per ordinary share to be approved at the forthcoming Annual General Meeting ("AGM"), resulting in a cumulative dividend of 43 sen (2021: 26 sen) at an estimated RM168.1 million for the financial year 2022.

This dividend distribution represented about 60.0% of the attributable profit of the Group for the financial year ended 31 December 2022. Benchmarked against the Company's dividend payout policy of a minimum of 60.0% of the Company's net profit, this dividend distribution was far higher at 108.2% of the Company's net profit for the financial year ended 31 December 2022.

Based on the closing share price of the Company as at 31 December 2022 of RM3.28 per share, and the expected cumulative dividend of 43 cents for the financial year 2022, the dividend yield for our shareholders was 13.1% (2021: 8.1%).

STRATEGIC PROGRESS

In 2019, the Group embarked on a journey of transformation named "Project DRIVE" with the objective of strengthening the Group's governance and to enhance talent readiness, organisational transformation, operational excellence, and business diversity.

"DRIVE" has been implemented as planned, resulting in transformative group-wide improvements that encompasses our people, our governance structure, our strategy, and our business operations. Since then, we have also enhanced our customer experience by integrating an omnichannel experience with an extensive focus on the digital platform. The positive impact from these enhancements has increased the level of engagement with our clients, resulting in an increase of bookings generated through such leads.

The success of Project DRIVE provided the catalyst for the future direction of the Group. In 2022, Project DRIVE transitioned into a strategic roadmap referred to as "Drive 24" representing the group's initiation to the next chapter of our strategic goals, as highlighted in the Group's 2021 annual report "Future Focused". Executed in three stages, the first stage of our Drive 24 strategy in 2022 included a review of our assets and ways to strengthen and maximise the Group's operations and value.

As we enter the second stage of our Drive 24 initiatives, we initiatied our action plan based on the findings of our review. Looking at the spread of our branches and the current and anticipated demographics they serve, we identified potential areas of growth and have begun scaling up our facilities and product offerings in these branches. Starting with our 1S centre in Sg Buloh, a transformation plan to relocate to a new 3S centre in Desa Coalfield, Sg Buloh is underway to provide more comprehensive services to our customers. Concurrently, other new locations were also identified in which construction will begin in due course. Earmarked locations included an upgrade of our current 1S outlet in Kota Kinabalu to a new 4S centre in Inanam, Kota Kinabalu and a brand new 3S centre in Pasir Mas, Kelantan. The upcoming 3S centre in Pasir Mas sets a new milestone as the Group's first representation in the East Coast of Peninsular Malaysia. We look forward to welcoming new customers in these new branches in 2023.

Also as part of our Drive 24's stage one strategy, we will continuously review the production efficiency in our Auto Parts Manufacturing Divisions to optimise cost efficiencies and deliver enhanced solutions to our customers as process automation is a key area of focus in the Group's transformation journey.

While the existing businesses are strengthened and recalibrated, stage two of Drive 24 will see the Group expanding further into new and complementary businesses taking into consideration the changing landscape in today's automotive and related industries.

MBMR GROUP BUSINESS OVERVIEW 2022

MBMR is an automotive group that operates through two principal business divisions, namely the Motor Trading Division and the Auto Parts Manufacturing Division.

MOTOR TRADING DIVISION

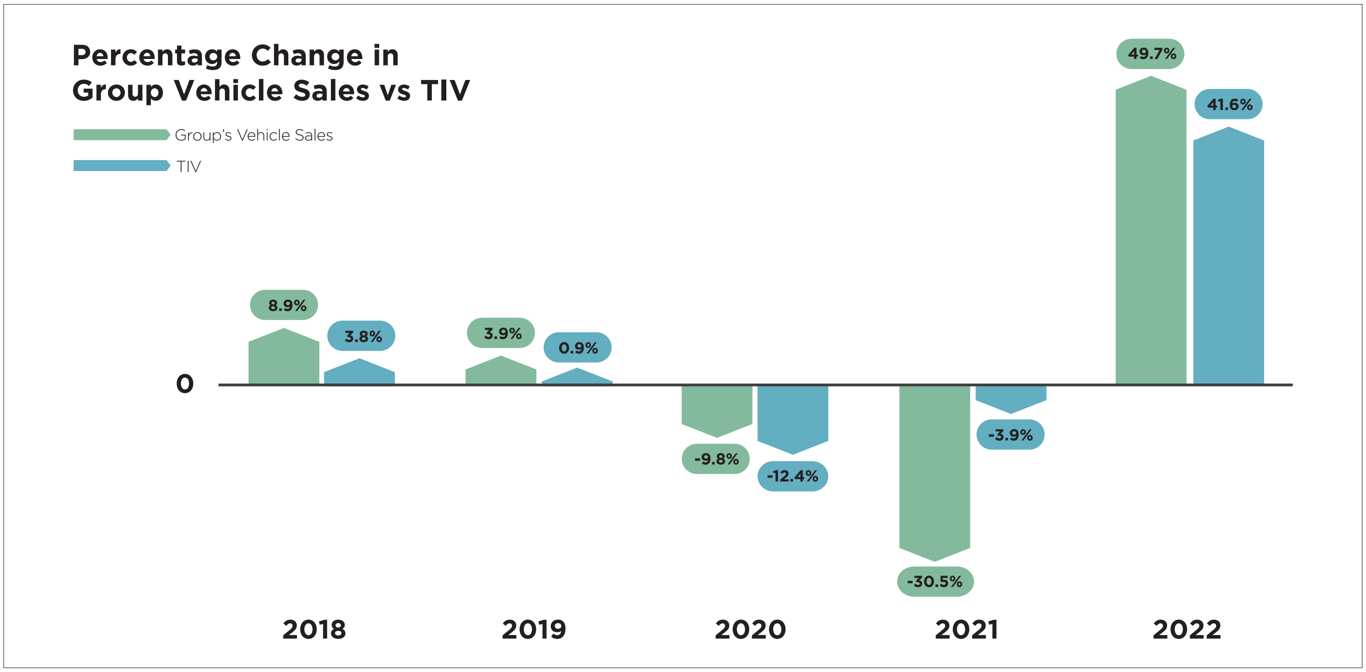
The Motor Trading Division consists of our main subsidiaries, the Daihatsu (Malaysia) Sdn. Bhd. Group ("DMSB Group") and the Federal Auto Holdings Berhad Group ("FAHB Group"). These two groups have a long history of offering sales and aftersales servicing of foreign and locally assembled vehicles in Malaysia and holds the largest market share in the country for the sectors in which they operate. The DMSB Group has been the exclusive distributor of Daihatsu light-duty commercial vehicles for over 40 years, and the largest dealership for Hino commercial trucks and buses in Malaysia. Further, its wholly-owned subsidiary DMM Sales Sdn. Bhd. operates the largest dealership for Perodua vehicles. The FAHB Group proudly carries the Volvo and Volkswagen brands under its wholly owned subsidiaries Federal Auto Cars Sdn. Bhd. ("FAC") and F.A. Wagen Sdn. Bhd. ("FAW"), respectively. FAC is the largest dealer group for Volvo servicing Volvo luxury cars at our flagship 4S Centre in Glenmarie, a 3S centre in Penang and a 1S in Menara MBMR Kuala Lumpur. Similarly, FAW is also the largest dealer group in Malaysia servicing Volkswagen vehicles at our 4S centres in Glenmarie and Johor Bahru, as well as a boutique 3S centre in Sri Hartamas, Kuala Lumpur.

Automotive Industry In 2022

In 2022, the MAA reported a TIV growth of 41.6%. Passenger vehicles in particular rose to 641,773 units in 2022 from the 452,486 units in 2021, an increase of 189,287 units or 41.8%. Similarly, the Commercial Vehicles segment also registered a very high growth of 39.9% or 22,488 units to reach 78,885 units.

The automotive industry continued its boost in sales from the 6-month extension of sales tax exemption announced during Budget 2022. As the sales tax exemption ended on 30 June 2022, the government made further announcement to allow buyers to enjoy the tax exemption as long as their vehicles were booked by 30 June 2022 and registered by 31 March 2023.

This was a welcomed move that allowed the industry and the market breathing room to meet consumer demand while at the same time gave carmakers time to overcome various issues that were affecting the industry ranging from the lingering impact of Covid-19 to production, component and manpower shortages. This announcement gave customers the much



needed reassurance to make their purchase knowing that they will be able to enjoy the sales tax exemption incentive beyond June 2022.

The improvement in commercial vehicle sales was due to increasing demand as companies begun to invest in anticipation of an economic rebound after two years of slowdown due to impact of Covid-19 pandemic.[1]

Total Industry Production ("TIP") of new vehicles grew at an even higher rate in 2022 by 45.8% to 702,275 units compared to 481,651 units in 2021. This reverses the decline as experienced in the previous years as chip and labour shortages became less dire in comparison.

Our Motor Trading Division In Numbers

TOTAL GROUP

31 SALES OUTLETS

26,287 VEHICLES SOLD

28 SERVICE OUTLETS

234,314 VEHICLES SERVICED

5 BODY & PAINT

DAIHATSU

DISTRIBUTORSHIP
By Daihatsu (Malaysia) Sdn Bhd

1,226 VEHICLES SOLD

4/19* SALES OUTLETS

9,268 VEHICLES SERVICED

5/19* SERVICE OUTLETS

Represented by our authorised dealers

HINO

DEALERSHIP
By Daihatsu (Malaysia) Sdn Bhd

265 VEHICLES SOLD

4 SALES OUTLETS

5 SERVICE OUTLETS

13,088 VEHICLES SERVICED

PERODUA

DEALERSHIP (Largest in Malaysia)
By DMM Sales Sdn Bhd

22,901 VEHICLES SOLD

17 SALES OUTLETS

13 SERVICE OUTLETS

174,602 VEHICLES SERVICED

2 BODY & PAINT

VOLKSWAGEN

DEALERSHIP
By F.A.Wagen Sdn Bhd

996 VEHICLES SOLD

3 SALES OUTLETS

3 SERVICE OUTLETS

24,581 VEHICLES SERVICED

2 BODY & PAINT

VOLVO

DEALERSHIP
By Federal Auto Cars Sdn Bhd

899 VEHICLES SOLD

3 SALES OUTLETS

2 SERVICE OUTLETS

12,775 VEHICLES SERVICED

1 BODY & PAINT

AUTO PARTS MANUFACTURING DIVISION

Auto Parts Manufacturing Division consists of our subsidiaries Oriental Metal Industries (M) Sdn. Bhd. ("OMI") and Hirotako Acoustics Sdn. Bhd. ("HASB"), as well as the jointly controlled entity of Autoliv Hirotako Sdn. Bhd. Group ("AHSB Group").

This division is a key supplier of auto parts to all the major car brands in Malaysia. OMI is involved in the manufacturing of steel wheels and module assembly of tyres. As a value-added service, OMI also offers warehousing services. HASB supplies a wide range of Noise, Vibration and Harshness ("NVH") products that include dampening sheets, insulators and felt to the local automotive market. The AHSB Group manufactures safety restraint systems such as airbags, seatbelts and also steering wheels.

Additionally, the Group has investments in commercial and passenger vehicle assembly/manufacturing and distributorships through its main associates namely Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua"), Hino Motors Manufacturing (Malaysia) Sdn. Bhd. ("HMMM") and Hino Motor Sales (Malaysia) Sdn. Bhd. ("HMSM").

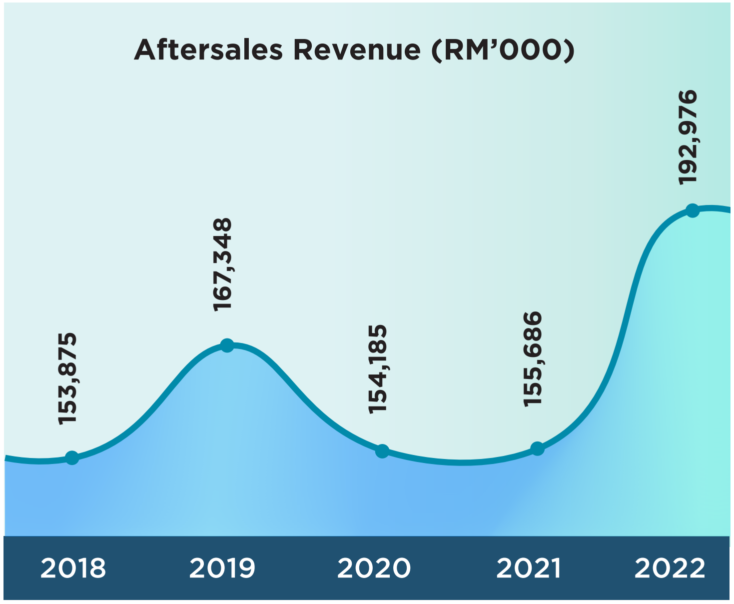
[1] http://www.maa.org.my/pdf/2022/Market_Review_2022.pdf

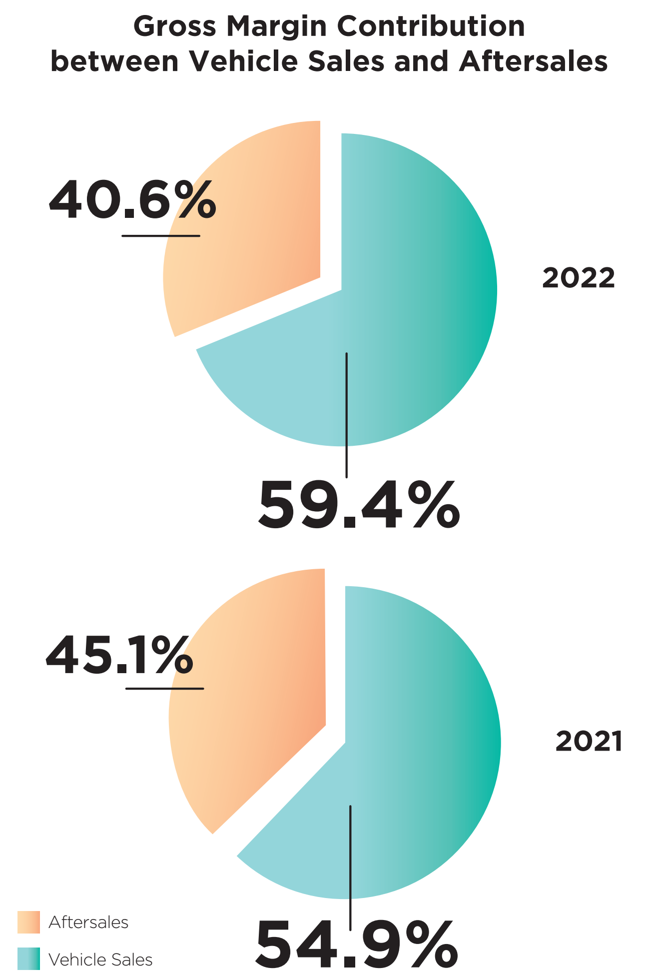
OPERATIONAL REVIEW

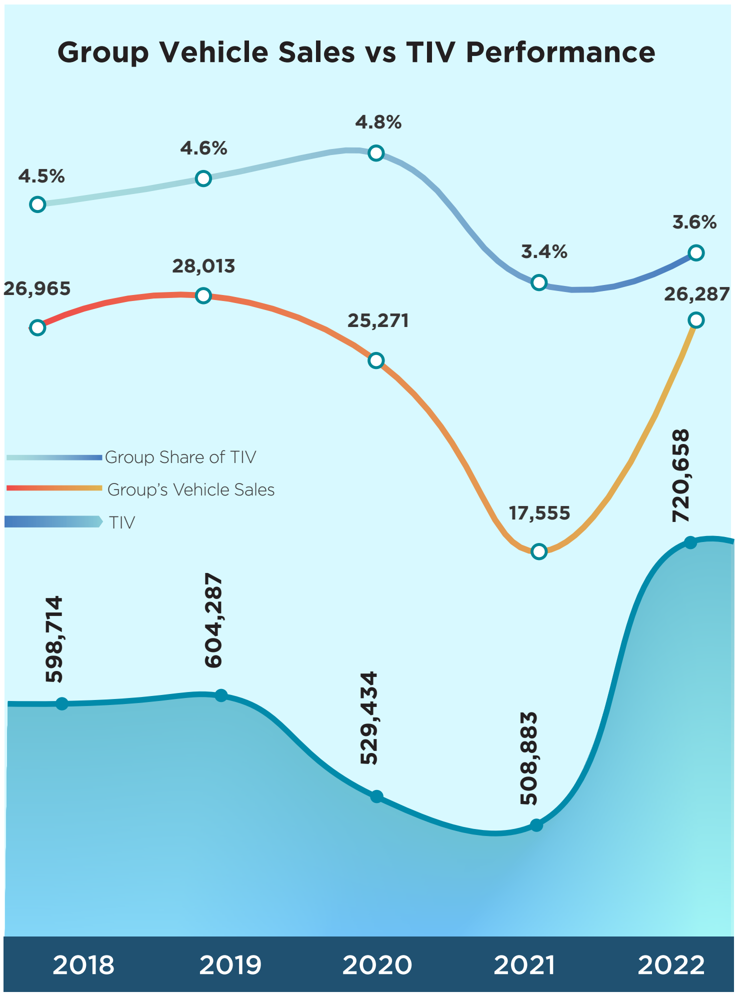
MOTOR TRADING DIVISION

The combination of the sales tax exemptions and reopening of our nation's borders brought about much excitement and relief to the country. The strategies we have implemented allowed us to capitalise on the recovery, strengthened by the cost and operational efficiency measures we have in place. This year we sold 26,287 vehicles compared to 17,555 vehicles in 2021. This has increased the Group's market share of TIV to 3.6% from 3.4% previously despite various challenges faced in production processes and the lingering effects of the COVID-19 pandemic in the early part of the year. Aftersales revenue performance in our Motor Trading Division rose 24.0% to RM193.0 million from RM155.7 million in the previous financial year.

The Volvo XC40 Recharge Pure Electric ("EVs") launched in March 2022 set a milestone for the country's automotive industry as the first locally-assembled electric vehicle. This was followed by the launch of the Volvo C40 Recharge Pure Electric model in December 2022, the second locally-assembled electric vehicle[2]. Aside from the EVs, other new







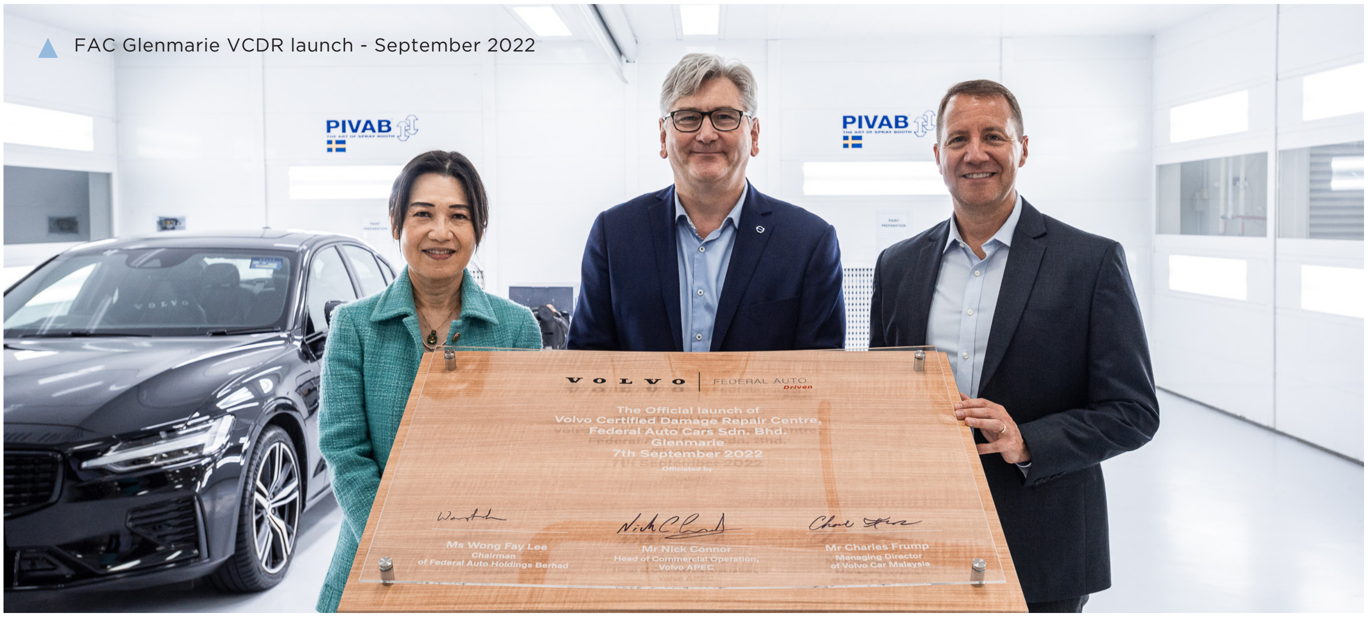
[2] https://www.carsifu.my/news/volvo-car-malaysia-to-export-locally-assembled-electric-vehicles-to-vietnam-and-the-philippines

models / facelifts launched this year by Volvo included the XC40 B5 and the Recharge T5 Ultimate, XC60 B5 Plus, XC90 B5 Ultimate and the Recharge T8 Ultimate.

In 2022, sales of Volvo vehicles in our dealerships increased by 41.8%, from 634 units to 899 units, largely due to increased supplies and continuous customer demand on the locally assembled Volvo XC40, 60 and 90-series. With the increase in vehicle sales, we maintained our leading position among Volvo dealers in Malaysia with a market share of around 29%.

We performed equally well in our Volvo aftersales business with a year-on-year increase of 14.8%, servicing 12,775 units in 2022 against 11,124 units in the preceding year. With the resumption of normal opening hours, we were able to reduce customer waiting times and increase our capacity intake for appointments. As a result, revenue for our Volvo dealerships increased by 45.6% in 2022. The continuous support from our Principal together with strategic controls on discounts led to a notable increase of 140.4% in profits. For Volvo Car Malaysia, this year marked the seventh straight year of sales growth, largely attributed to the exciting product lineup in the Volvo stable.

As we look to solidify our position as the top Volvo dealer and *the* workshop of choice for Volvo vehicle owners, we took the lead to launch the first Volvo Certified Damage Repair (VCDR) in Malaysia in September 2022. The facility, located at our Glenmarie branch boasts a built-up area of 10,586 sq ft that houses state of the art modern equipment and technology employing the highest quality and standards, run by highly-trained personnel to ensure all works performed are up to Volvo's standards and requirements.



FAC Glenmarie VCDR launch - September 2022

VCDR - PIVAB spray booths

VCDR - Car-O-Liner collision repair equipment.

Launches of Volkswagen vehicles this year demonstrated Volkswagen Malaysia's shift in strategy towards the "affordable premium" space. The outgoing Passat model has now been replaced by the attractive Arteon R-line 4MOTION that blends affordability, practicality and luxury. Models that were introduced to the market this year was the Golf R-Line, Golf GTI Mk8, Tiguan Allspace Elegance, Tiguan R-Line and the Tiguan Allspace Life variants. These popular new and facelift launches were very well-received by customers and is reflected in our performance this year. The sales tax exemptions and sufficient vehicle supply was also a contributing factor to the boost in volumes for the year. Sale of Volkswagen vehicles in our dealerships jumped 84.4% in 2022 to 996 units with revenue increasing 78.5% year-on-year.

Perodua Alza (2nd generation)

Volkswagen Golf GTI Mk8

We continue to hold the largest market share among Volkswagen dealers in Malaysia dealers at around 26%, an increase of approximately 1.4% over the previous year. Our aftersales figures in 2022 consequently experienced an increase, growing 3.9% to a total of 24,581 vehicles versus 23,671 vehicles the year before. The combination of the growth in sales and aftersales volumes increased the dealership's total profit by a solid 72.2%.

Our Perodua branches under DMMS sold 22,901 units in 2022 compared to 14,924 units in the previous year. This is an increase of over 53.5% against the previous year. The high volume was driven by consistently strong demand for existing models especially Bezza, Myvi, Axia and the newly launched second-generation Alza; boosted further by the sales tax exemption. Higher vehicle supply especially in the second half of the year was also a contributing factor to the volume. In tandem with the increased sales volume, aftersales volume likewise rose encouragingly by 28.4% which translated to 174,602 units of service throughputs, surpassing the 136,035 units serviced in 2021 by 38,567 units.

In June 2022, we launched the enhanced Daihatsu Gran Max Euro 4, introducing more comfort and safety elements such as power windows, multimedia audio display, anti-lock braking system, reverse camera and sensors. DMSB also launched its first Daihatsu Malaysia Official Flagship Store on Shopee and Lazada in February 2022 to complement the existing sales channels. The updated Gran Max helped increase sales but total sales for the year dipped 7.0% from 1,318 units to 1,226 units.

Across our Motor Trading Division, digital marketing activities was further strengthened this year as we improved our omnichannel experience and customer engagement levels.

For example, the introduction of integrated digital tools for our Perodua sales advisors to communicate with prospective customers have generated an engagement rate of 61%. Most notably, our online appointments via website and social media delivered a successful conversion rate of 70%.

Such initiatives have contributed in widening our reach and have increased the number of leads that ultimately translated

Best Dealer Customer Experience Award (FAC Glenmarie)

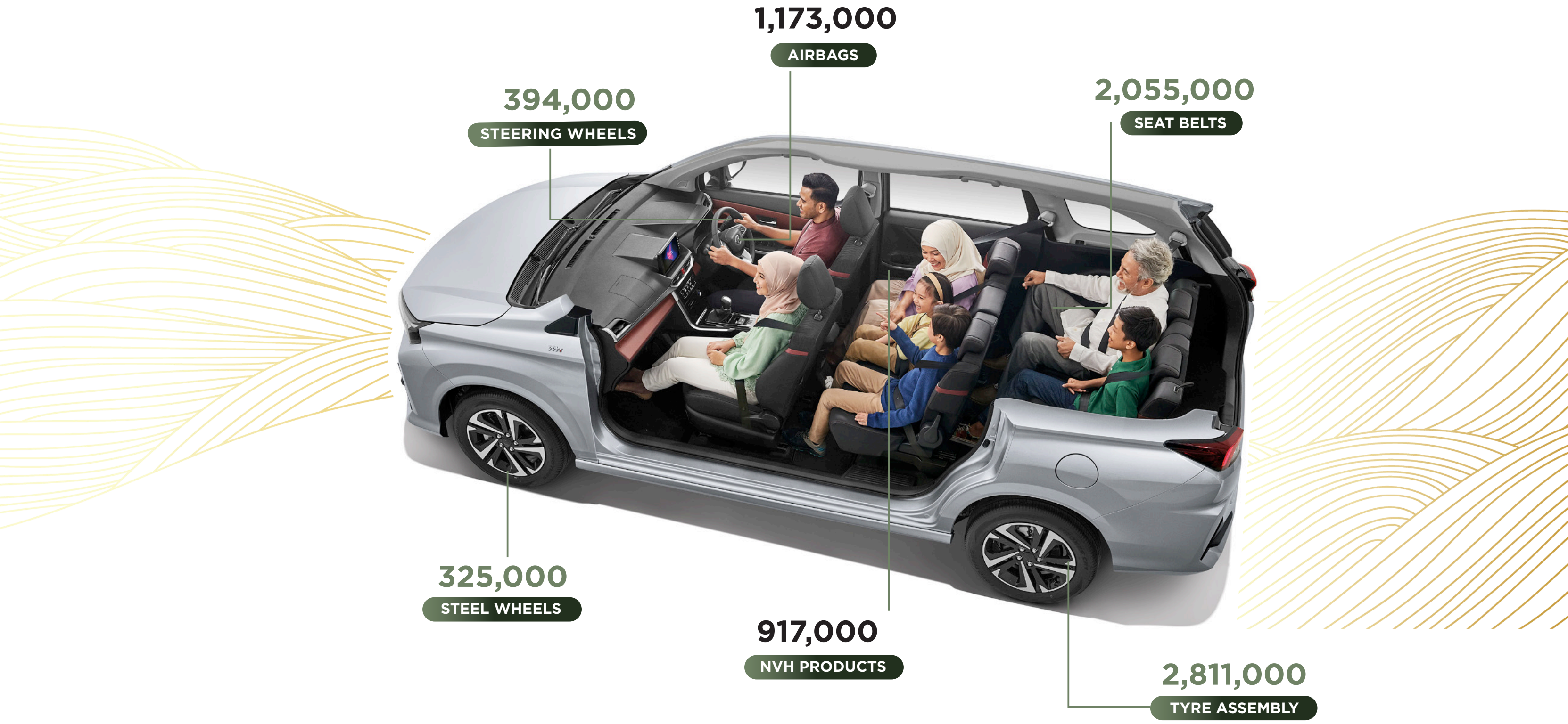
Best Dealer Customer Service Award (FAC Glenmarie)

Service Advisor Award (FAC Glenmarie)

New Car Sales Volume Award (FAC Glenmarie)

Volvo Car Accessories Award (FAC Glenmarie)

Our Auto Parts Manufacturing Division in Numbers



into sales. Looking ahead, such initiatives will remain a focus within our Motor Trading Division and will be expanded to fully leverage on the reach and opportunities of the digital medium.

Aside from our digital marketing activities, further efforts to drive sales will also include the use of traditional media. As an example, corporate collaborations with financial institutions to provide attractive financing solutions for easy car ownership will potentially allow us to reach out to a wider base of potential customers. Our presence and participation at roadshows and car events will also be increased for customer engagement and to introduce the brands we represent.

AUTO PARTS MANUFACTURING DIVISION

Fueled by the automotive industry's recovery and aided by the sales tax exemptions, local OEMs went into production overdrive to meet the outstanding vehicle bookings. In the first half of 2022, production volume was hampered by the various challenges faced by the automotive manufacturing industry such as the global semiconductor chip shortages, labor shortages, and various supply chain disruptions that have plagued the industry in the past two years. These challenges eased gradually as the year progressed, and with improvements in the supply chain and operating conditions, OEMs' production volume ramped up significantly in the second half of the year.

Our Auto Parts Manufacturing Division's production volume grew to a full year total of 7.7 million units, 51.0% higher than the preceding year's production volume of 5.1 million units with revenues for the Division increasing to RM316.1 million or 53.0% higher than the preceding year. Operating Profit for the Division before interest and tax (excluding the gain on sale of the leasehold land with factory buildings located at Serendah, Selangor) also increased by 76.0% accordingly against the preceding year. This substantial increase is seen in all our Auto Parts Manufacturing companies within the Division.

The strong results achieved was also a product of our ongoing labour and cost management efforts as the industry faced numerous challenges during the year. There were supply chain disruptions, foreign labour shortages, high material and logistics costs, an increase in minimum wages and not to mention the unfavourable exchange rates against the Malaysian Ringgit. The Division carried out various production cost optimisation initiatives continuously to increase process efficiency and maintain competitiveness while providing best value to our customers. Manpower and material issues were monitored very closely to ensure we were able to fulfil our production orders with minimal delays.

Safety Products

Our jointly controlled entity, the AHSB Group is a 51% owned joint venture with Autoliv AB, the world's leading safety restraint company and among the largest Tier 1 automotive suppliers in the world. AHSB Group is involved in the design, testing and manufacture of vehicle safety restraint products and systems. Our safety products include seat belts, airbags, and steering wheels.

AHSB recorded their highest revenue in history with a jump of 58.6% while Operating Profit before interest and tax likewise increased by 42.2% against the preceding year.

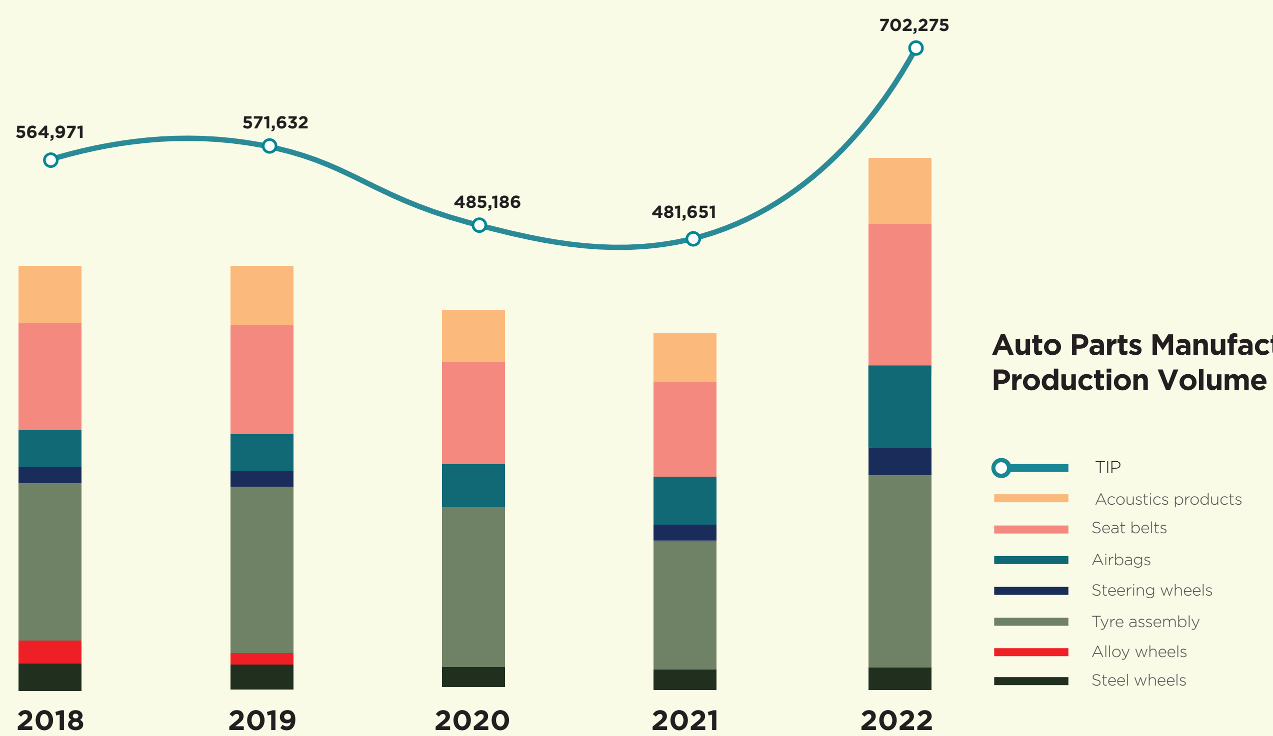
Fueled by the automotive industry's recovery, high vehicle sales numbers and increased demand from OEMs like Perodua and Honda for their popular models such as Bezza, Alza, HR-V etc, AHSB secured an estimated 54% of the market share in 2022, solidifying their position as the market leader for seat belts, airbags and steering wheels in Malaysia.

Acoustics Products

Our wholly-owned subsidiary, HASB supplies a wide range of NVH products to the automotive industry. These products are cost competitive and are used to offer better protection against noise, vibration and harshness. HASB's technical partner, Autoneum is the global leader in vehicle acoustic and thermal management solutions. Autoneum continues to provide HASB with strong technological support.

HASB also recorded their highest-ever volumes and profit in 2022, benefiting from the changes in market conditions and the resulting recovery of the automotive industry. Volumes for our NVH products rose to 917,000 units, 43.7% or 279,000 units higher than the previous year. This translated to a sharp increase in revenue of 41.1% and a 66.0% increase in profits before interest and tax over the previous year.

In 2022, we increased our order book with the introduction of new vehicle models such as the new Perodua Alza, Kia Carnival, Honda HR-V and a few others. To meet the high demand, HASB's management worked tirelessly to ensure continuous supply to the OEMs despite the labour shortages challenges. Fortunately, the labour shortages eased towards the third quarter of the year. Meticulous resource and production planning, together with our cost optimisation practices will fuelled HASB's goal towards maximising quality, cost and delivery. With Autoneum's support, HASB will actively engage with key customers to secure new projects.



Auto Parts Manufacturing Production Volume vs TIP

Wheel and Tyre Assembly

Our subsidiary, OMI manufactures steel wheels and assembles wheels and tyres for major manufacturers of passenger and commercial vehicles such as Perodua, Proton, Honda, Toyota, Mitsubishi and Hino. OMI also offers other value-added and warehousing services.

In 2022, OMI performed admirably, achieving a 55.0% increase in revenue compared to the previous year. This was largely due to the earlier mentioned increase in supply of component purchase products and services to our OEMs. In terms of volume, both the steel wheels and the tyre assembly volumes were much higher than the preceding year's volume by 33.2% and 46.7% respectively, in line with the other manufacturing subsidiaries' operating conditions. With the significantly higher volumes, together with the benefits from cost optimisation initiatives conducted over the years and improvement in warehousing service income, OMI's Operating Profit before interest and tax excluding non-operating gains improved 82.0% compared to the previous year.

OMI's performance this year has solidified their position as the market leader in their field, securing approximately 80% of market share. OMI will continue to seek out prospective new clients and expand cooperation with existing partners to maximise capacity utililsation for both our steel wheel and tyre assembly production.

Best Supplier Award
by Mitsubishi
(OMI)

VAVE Activity Award
by Toyota
(OMI)

OUTLOOK

After the strong run in 2022, the economy is expected to ease in 2023. BNM is expecting the Malaysian economy to expand by 4.5% in 2023 supported by firm domestic demand amid continued improvements in the labour market, down from the 8.7% growth in 2022. Vehicle sales was at an all-time high record of 720,658 units in 2022, whereas for 2023, MAA forecasted a TIV of 650,000 units, a reduction of 9.8%.

Lingering effects of COVID-19 and the risk of a new strain remains. Inflationary pressures remain a concern and consequently, OPR was raised on four occasions by Bank Negara in 2022. This will affect loan approval rates and spending patterns with customers holding out on big-ticket purchases. Unfavourable exchange rates will also add pressure on price of our vehicles.

New car models are expected to be launched in 2023 and this will help generate potential buying interest. In February 2023, our associate Perodua launched the all-new Axia. As one of Perodua's most successful models, the first all-new model since its introduction in 2014 has been well received by customers, with 20,100 bookings as of the launching date.[3]

Our Motor Trading Division will continue in the ongoing effort to improve aftersales service and efficiency. Together with investments such as the Volvo VCDR in our Glenmarie outlet, we expect those efforts and investments will continue to drive throughputs in 2023. Aside from car sales and aftersales, the addition of our used-car sales platforms of Volkswagen Das Welt Auto and Volvo Selekt in our dealerships that started in early 2022 will also help bolster our bottom-line.

The Group has put in place strategies to navigate and cushion the impact of possible risks. Nevertheless, our focal point will be looking out for opportunities that come with the changing landscape in the automotive industry and the continuation in reviewing the Group's assets as outlined in our Drive 24 strategy.

As for our Auto Parts Manufacturing Division, raw materials and component costs, and the fluidity of supply will remain as significant risk factors and determinants on the costs and profitability of the Division in the coming years. Foreign worker shortages that hampered the manufacturing sector in 2022 have stabilised but remains a risk to be closely managed.

Our cost optimisation efforts and the initiatives of our Drive 24 strategy will continue, together with our Sustainability Initiatives. 2023 will be largely influenced by the duration of economic and social uncertainties stemming from geopolitical tensions, among them the prolonged Russia-Ukraine war and the recovery of China's economy. This will undoubtedly elevate apprehension towards supply-chain disruptions, inflationary concerns, unfavourable exchange rates, rising cost of materials and commodity prices. We have however made notable headways in our on-going discussions with our OEMs to manage the elevated manufacturing costs and we will also drive forward with the initiatives for our Motor Trading division.

Overall, the Group remains positive in our outlook as the strategies that are underway are supported by strong value propositions and a healthy financial foundation. In "Scaling New Heights", we've heightened our agility to react to impending shifts and our readiness to capitalise on opportunities, even at times of uncertainty.

[3] https://www.nst.com.my/business/2023/02/879638/perodua-launches-2023-axia-20100-units-booked

SUSTAINABILITY STATEMENT

OVERVIEW

MBMR marked a highly successful year in 2022 with our record-breaking revenue and profits. In line with our business and financial performances in 2022, we are also committed to enhance our sustainability efforts which are reflected in our sustainability performance and sustainability disclosures as compared to previous years.

Part of our sustainability journey includes to constantly enhance our sustainability performance and disclosures. This is achieved by progressively expanding our sustainability programmes across the Group while also improving the monitoring and evaluation of our sustainability performance. Compared to previous years, our 2022 Sustainability Statement discloses additional sustainability targets, sustainability initiatives as well as a broader range of sustainability performance indicators such as energy and water intensity, recycled scheduled waste and scores from our Employee Engagement Survey.

The Group's sustainability targets, performance and initiatives are categorised in relation to the four sustainability pillars:

- Environment
- Social
- Economic
- Corporate Governance

For the purpose of this Sustainability Statement, the focus of disclosures is largely on Environment, Economic and Social ("EES") elements. This is because the Governance ("G") element has already been extensively covered in the Corporate Governance Overview Statement and Corporate Governance Report 2022 in accordance with the Malaysian Code on Corporate Governance 2021 as required pursuant to the Main Market Listing Requirements ("MMLR") of Bursa Securities Malaysia Berhad ("Bursa Securities").

This Sustainability Statement is a summary of our sustainability performance from 1 January to 31 December 2022 and where available, data from previous years is included for year-on-year progress comparisons.

MBMR also publishes a Sustainability Report annually that is in accordance with the MMLR of Bursa Securities and its Sustainability Reporting Guide.

Our Sustainability Report 2022 is available at our website at www.mbmr.com.my.

THE GROUP'S SUSTAINABILITY OBJECTIVES

The Group's objectives with respect to sustainability are driven by our mission to be the Automotive Partner of Choice to our Employees, Customers and Investors. Our sustainability objectives are to:

1. Minimise negative effects of the Group's businesses on the environment;
2. Promote social progress towards the wellbeing and development of our employees, customers and communities in which we operate;
3. Promote a healthy ecosystem in which the Group's businesses are operated; and
4. Achieve consistently high standards of integrity, transparency and disclosure according to regulatory and industry best practices.

Aligning our sustainability goals with our business objectives and practices forms an integral part of our long-term strategies to deliver sustainable benefits to our stakeholders.

MBMR GROUP'S KEY TARGETS, INITIATIVES AND ACHIEVEMENTS IN 2022

PILLAR 1: ENVIRONMENT

Targets	Key Sustainability Initiatives	Key Achievements In 2022
Reduce electricity intensity from power producer	• Installation of solar energy panels at AHSB and HASB premises. • Upgrading conventional lighting to LED lighting.	All companies under the Group except one reported decrease in electricity intensity compared to 2021.
Reduce water consumption intensity	• Recycling treated discharged water from production process back into the production line. • Installation of rainwater harvesting system.	All companies under the Group except one reported decrease in water intensity compared to 2021.
Compliance towards regulations on the management and disposal of waste	• Engage licensed waste disposal vendor for scheduled waste and general waste management services. • Monitor compliance and maintenance of ISO 14001:2015 Environmental Management Standards. • Implement Reduce, Reuse, Recycle (3R) programmes.	There was no penalty from regulatory bodies.

PILLAR 2: SOCIAL

Targets	Key Sustainability Initiatives	Key Achievements In 2022
Achieve target injury frequency rate (IFR)	• Conduct safety awareness programmes. • Conduct regular safety inspections within premises.	All companies under the Group reported zero fatalities at the workplace.
Score more than 70% in the Employee Engagement Survey	• Conduct talent development programmes. • Conduct employee engagement sessions. • Award employees for excellence and long-service.	All companies within the Group recorded scores above 70% in the Employee Engagement Survey.
Compliance with labour and working regulations	• Monitor compliance towards labour regulations.	There was no penalty from regulatory bodies.
Achieve respective score targets from Customer Satisfaction Survey	• Digital transformation to enhance customer purchase experience. • Monitor and ensure customers' quality and delivery targets are met.	The Group achieved the target scores in the Annual Customer Satisfaction Survey.

PILLAR 3: ECONOMIC

Targets	Key Sustainability Initiatives	Key Achievements In 2022
Implementation of digitalisation initiatives	• Launch of Daihatsu e-commerce store in Shopee and Lazada. • Digitalisation of sales and service booking via social media platforms and websites. • Sales digital ID for sales advisors via Tanyaje. • Installation of automation in manufacturing process.	Increase in rate of customers booking test drive and service appointment via digital and social media platforms.

SCOPE

The scope of this Sustainability Statement covers MBMR and its subsidiaries and jointly controlled entity listed below, all of which are located in Malaysia (collectively referred to as the "Group" in this Sustainability Statement).

- Daihatsu (Malaysia) Sdn. Bhd. ("DMSB")
- Federal Auto Holdings Berhad ("FAHB")
- Autoliv Hirotako Sdn. Bhd.("AHSB")
- Hirotako Acoustics Sdn. Bhd. ("HASB")
- Oriental Metal Industries (M) Sdn. Bhd. ("OMI")

REPORTING STANDARDS

Disclosures within this Sustainability Statement are in accordance with the MMLR of Bursa Securities and its Sustainability Reporting Guide. This Sustainability Statement is also guided by the core reporting principles of Global Reporting Initiative ("GRI") Standards and have also been aligned to the UN Sustainability Development Goals and the sustainability issues that are most material to our businesses and our stakeholders. Out of the 17 Goals, 11 of these goals are aligned to our materiality matrix. This includes Customer Satisfaction, Policy and Governance, Waste Management, Community Engagement, Energy Consumption, Staff Welfare, Safety and Health, Labour and Working Standards, Regulators and Government and Water Consumption. Where applicable, we further strive to adhere to the FTSE4Good Bursa Malaysia Index criteria.

REPORTING PERIOD

This Sustainability Statement covers the Group's sustainability performance from 1 January 2022 to 31 December 2022. Where available, data from the previous year is also included for year-on-year progress comparisons.

ASSURANCE STATEMENT

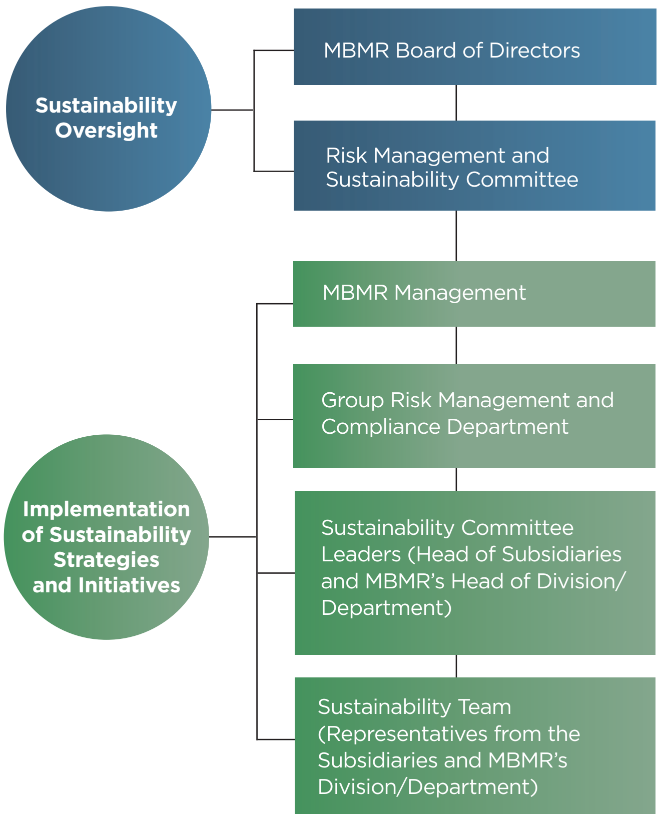
Data disclosed in this Sustainability Statement has been internally sourced from within the Group and are thereafter compiled and measured by industry standards against our sustainability targets. The results therefrom have been verified by MBMR Management in so far as reasonably practicable, followed by a review by the Risk Management and Sustainability Committee before the report is presented to the Board.

The Group is progressively enhancing its ongoing data collection efforts to close any reporting gaps and to expand our disclosures in future reports. MBMR has not sought any independent verification or assurance for the disclosures in this report.

SUSTAINABILITY GOVERNANCE FRAMEWORK

MBMR Group's sustainability governance structure promotes integrity, accountability and transparency across all levels of the organisation.

The diagram below provides an overview of MBMR Group's Sustainability Governance Framework:



The assigned roles and responsibilities of the Sustainability Governance Framework are as follows:

MBMR BOARD OF DIRECTORS

The MBMR Board of Directors ("Board") has the overall responsibility to oversee the governance of sustainability matters for the Group. While the Board remains responsible for its oversight function as a whole, the Board has delegated to the Risk Management and Sustainability Committee ("RMSC") the responsibility of setting the Group's sustainability strategies and initiatives comprising of environmental, social and governance matters as well as embedding sustainability best practices to the Group in accordance with the MMLR of Bursa Malaysia and the Malaysian Code on Corporate Governance 2021 ("MCCG").

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

The RMSC is responsible in assisting the Board to oversee the adoption of sustainability policies for the Group which also includes setting the Group's sustainability strategies, priorities and targets. It is also the responsibility of the RMSC to monitor and review the Group's key sustainability performance against the set strategies and targets. The RMSC is also responsible to oversee and review the processes, framework and strategies designed to manage environmental, social and governance risks, covering matters such as safety, health, employment practices, environmental practices, human rights, community relations and other relevant sustainability matters.

MBMR MANAGEMENT

The MBMR Management is primarily responsible to lead the implementation of sustainability related policies, framework and procedures throughout the Group. The Management is also responsible to manage and monitor the Group's key sustainability performance and is supported by the Group Risk Management and Compliance Department to ensure alignment to the Group's sustainability targets.

GROUP RISK MANAGEMENT AND COMPLIANCE DEPARTMENT

The Group Risk Management and Compliance Department monitors and coordinates the collation of the Group's sustainability initiatives execution and the key performance data. The department then updates and reports this information to the MBMR Management and subsequently to the RMSC.

SUSTAINABILITY COMMITTEE LEADERS

The Sustainability Committee Leaders consist of the heads of subsidiaries as well as the heads of division/department. The Sustainability Committee Leaders are responsible to ensure that the implementation of sustainability initiatives and strategies are in line with the Group's sustainability targets. They are also responsible to ensure the timely reporting of sustainability matters from the respective subsidiaries or division/department and to determine the accuracy of the information reported.

SUSTAINABILITY TEAM

The Sustainability Team consists of representatives from the subsidiaries and division/department. The Sustainability Team is responsible to assist in the coordination and implementation of the sustainability initiatives in their respective subsidiaries and divisions/department. They are also required to provide information and data on the subsidiaries or division/ department's sustainability performance.

STAKEHOLDER ENGAGEMENT

A fundamental component of our sustainability strategy is to listen and respond to our stakeholders as they play an important role in our long-term success.

The Group actively engages with internal and external stakeholders to understand their needs and expectations. The stakeholder engagement process allows us to assess stakeholders' interests and its potential impact on our businesses, enabling us to identify any gaps and formulate strategies to further align our sustainability practices with the stakeholders' needs and expectations in driving long-term sustainability.

Below is a summarised list of our key stakeholders and the engagement activities:

Stakeholder	Engagement Activity	Frequency	Purpose
Customers	Social Media Campaign	Regular	To offer quality products and services and to gather feedbacks to improve on the products and services.
	Online Services through Customer Portal	Regular	
	Face to face interaction from service and sales channels	Regular	
	Launching Events	As and when required	
	Showroom Open Day and Roadshows	Regular	
	Vendor Briefing with Customers	Monthly	
	Customer Annual Conference	Annually	
	Customer Satisfaction Survey	Annually	
	Customer Updates	Monthly	
Communities	Community Activities	Regularly	To carry out our corporate social responsibilities and build good relationships with the local communities.
Shareholders and Investors	Annual General Meeting	Annually	To disseminate and provide information on the Group's activities and financial performance to facilitate decision making by investors.
	Analyst Briefing	Quarterly	
	Media Releases	Quarterly	
	Websites	As and when required	
Regulators	Meetings with Regulators	Regularly	To ensure compliance with all laws and regulations.
	Briefings, Seminars or Discussions with Regulators	As and when required	
Suppliers and Contractors	Mid-Year Review and Engagement with Vendors	Bi-Annually	To ensure compliance with all laws and regulations.
	Supplier Performance Meetings	Monthly	
	Supplier Conference	Bi-Annually	
	Supplier Audit	Annually	
	Vendor Development Programme	As and when required	
Employees	Employee Engagement Survey	Annually	To provide a conducive work environment and to engage and nurture employees.
	Employee Engagement Sessions i.e. townhall and Management Visit	Regularly	
	Team Building Programme	As and when required	
	Employee Awards Programme	Annually	
	Employees Meetings	Daily and Monthly	
Principals	Meetings and communication with Principal	Regularly	To communicate on business activities and financial performance.

MATERIAL MATTERS

To deliver long-term value, it is important for us to understand the industry trends, risks, opportunities and the expectations of our stakeholders. In 2022, The Group reviewed its material sustainability matters to ensure that the material matters are still relevant and are aligned to the Group's sustainability strategies.

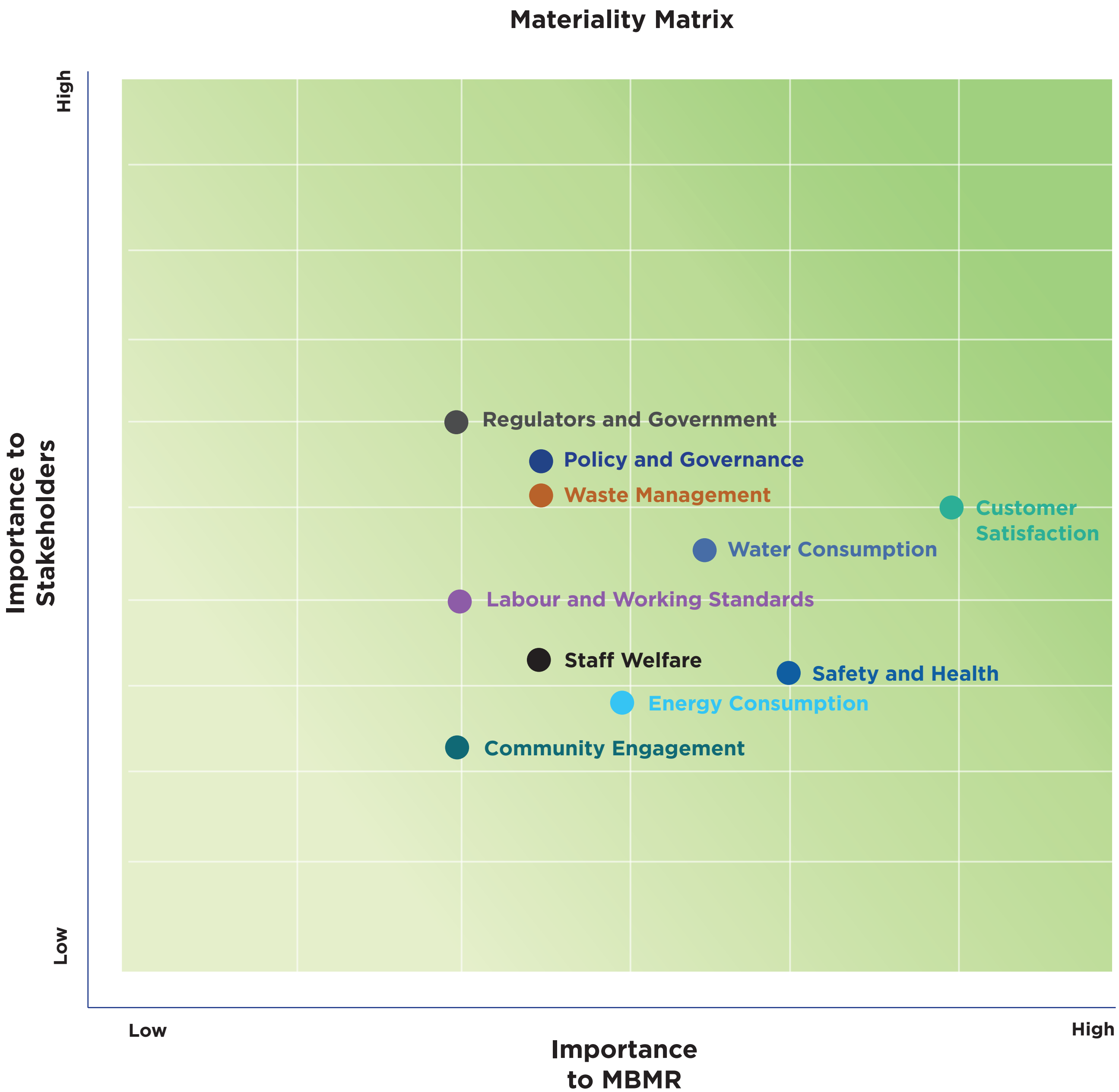
Below is the table detailing our material matters and the related United Nations Sustainable Development Goals ("UNSDGs").

Material Matters	Aspects Included	Related UNSDGs
Customer Satisfaction	• Product and Service quality • Customer relationship management	8 Decent Work and Economic Growth
Policy and Governance	• Corporate governance • Business ethics and compliance	16 Peace, Justice and Strong Institutions
Waste Management	• Reduce, Reuse or Recycle • Disposal of waste in compliance with regulatory requirement	3 Good Health and Well-Being 11 Sustainable Cities and Communities 12 Responsible Consumption and Production
Community Engagement	• Recognition of local communities' needs	4 Quality Education 11 Sustainable Cities and Communities
Energy Consumption	• Energy Management	7 Affordable and Clean Energy 12 Responsible Consumption and Production 13 Climate Action
Staff Welfare	• Employee management • Training and development • Diversity and Equal Opportunity	5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities
Safety and Health	• Safe and healthy workplace	3 Good Health and Well-Being
Labour and Working Standard	• Human Rights • Compliance with labour laws	8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions
Regulators and Government	• Regulators requirements	16 Peace, Justice and Strong Institutions
Water Consumption	• Water management	6 Clean Water and Sanitation 12 Responsible Consumption and Production

MATERIALITY MATRIX

The materiality matrix plots the Group's material matters in two dimensions:

1. The degree of importance of the materiality matters to the Group.
2. The degree of importance of the material matters to our Stakeholders.



PILLAR 1: ENVIRONMENT

The Group shall continuously explore methods to improve the efficient usage of natural resources such as water, land and other related natural resources as required in its operations. Due to the nature of our operations, we are a significant user of water and energy. As a result, the Group's environmental sustainability efforts focuses on material matters related to energy consumption, water consumption and waste management.

ENERGY CONSUMPTION

Energy supports all sectors of our business operations, therefore it is important for us to be energy efficient not only to reduce running costs but also to lower our carbon emissions and conserve natural resources. The Group is committed to improve its energy efficiency in its operations and if feasible, enhance its renewable energy usage. Reducing energy usage is pivotal to our resource efficiency strategy and crucial to maintaining our cost competitiveness. The initiatives we implemented towards achieving this target involves switching to energy-efficient lighting and investing in renewable energy resources through the installation of solar panels at our premises. In 2021, solar panels were installed at OMI's tyre assembly plant, while AHSB and HASB completed the installation of solar panels at their respective buildings in 2022.

A summary of the targets and initiatives by the subsidiaries is listed below:

Sustainability Targets

- Reduce electricity consumption intensity from power producer.

Initiatives in 2022

- Installation of solar energy panels at AHSB and HASB premises.
- Upgrading lighting to LED lights.
- Upgrading air compressors to invertor air compressor.
- Consolidating office space for more efficiency in electricity consumption.

Solar panels installed at HASB.

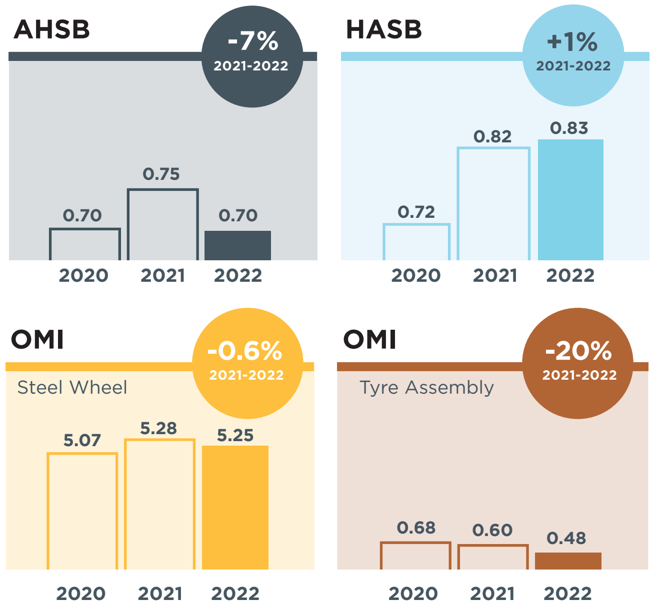
Indicators

The Group uses electricity intensity to measure our energy consumption efficiency. Electricity intensity is measured by the kilowatt hour ("kWh") of electricity required by our manufacturing plants to produce one unit of product and the kWh of electricity used by our motor trading companies to sell or service one vehicle. Our aim for energy efficiency is to lower electricity intensity. This will be demonstrated by using less electricity to produce one unit of product or to sell or service one vehicle.

Electricity Intensity Comparison 2020 - 2022

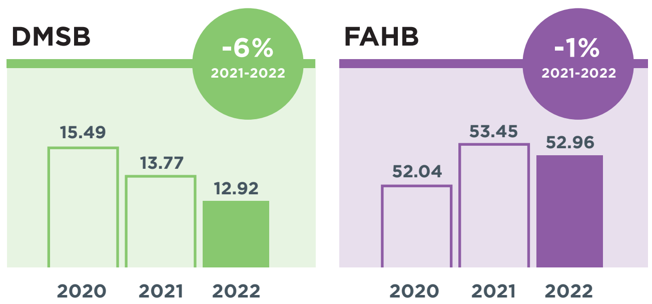
Manufacturing

Measured by kWh Electricity Intensity Per unit Produced



Motor Trading

Measured by kWh Electricity Intensity Per unit Produced



The implementation of our energy sustainability initiatives showed results in 2022 with all except one company under the Group reporting a decrease in electricity intensity compared to 2021.

AHSB's electricity intensity per unit produced in the reporting year showed a 7% reduction from 2021. OMI's steel wheel plant had a slight decrease of 0.6% while the tyre assembly plant had a more significant 20% decrease in electricity intensity. HASB, however, had a slight intensity increase of 1% this year. For our motor trading companies, DMSB and FAHB reported a 6% and 1% decrease respectively in electricity intensity from energy producer.

For more information on the Group's electricity consumption from energy producer, please refer to page 11 of the Sustainability Report 2022, which is available on the Company's website at www.mbmr.com.my

WATER CONSUMPTION

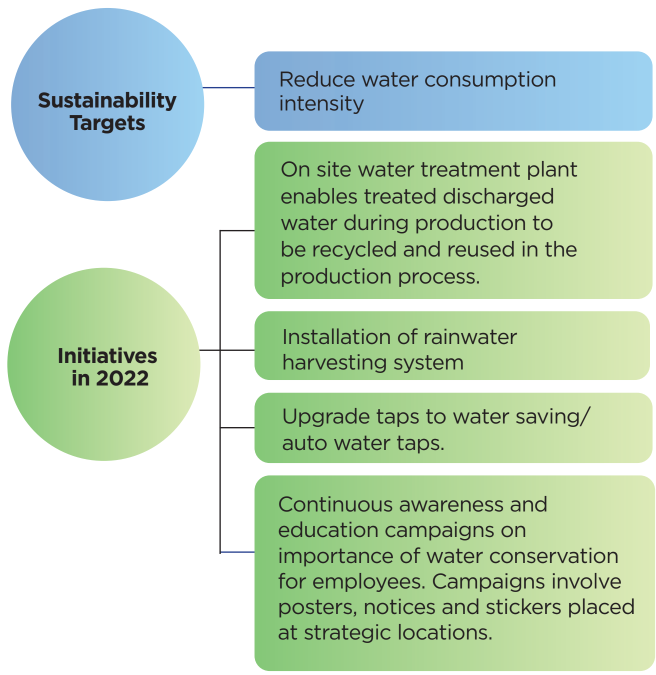
Managing water consumption is crucial for the Group as a few of our subsidiaries use a considerable volume of water in their operations. By managing water sustainability, we will not only reduce our cost but also help with the preservation of water ecosystems.

One of the initiatives implemented by the Group is to tap into an alternative source of water through the installation of rainwater harvesting systems. In 2022, a rainwater harvesting system was installed at the OMI plant in Shah Alam with another one planned for installation at the new OMI plant.

In addition, our manufacturing plants are also equipped with water recycling systems that enable water from the production process to be treated and recycled back for use in the production line.

We also continuously educate and remind our employees on the importance and methods of water conservation. In 2022, DMSB started upgrading the water taps at its premises to water saving and auto water taps to improve on its water conservation.

A summary of our target and initiatives in 2022 is listed below:



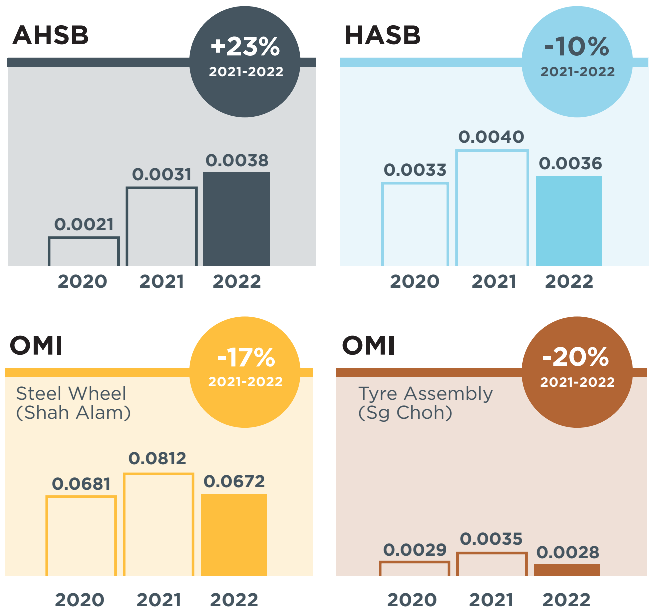
Indicators

We monitor our water efficiency by measuring the intensity of water use based on volumes of water used for per unit of product produced by our manufacturing companies and by volumes of water used for per vehicle sold or serviced by our motor trading companies.

Water Intensity Comparison 2020 - 2022

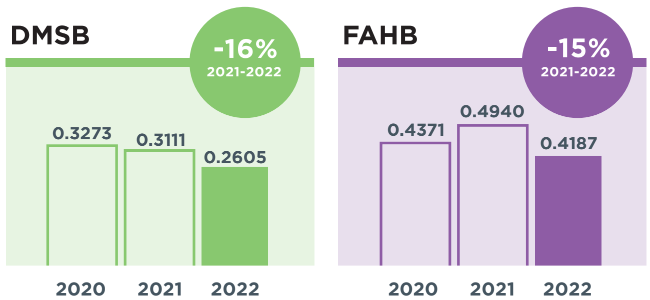
Manufacturing

Measured by Water Intensity Per unit Produced (m³)



Motor Trading

Measured by Water Intensity Per unit Produced (m³)



The successful execution of our water sustainability initiatives in 2022 resulted in a decrease of between 10% to 20% in water intensity over the previous year for all our companies except for AHSB. OMI recorded the highest reduction in water intensity (17% for steel wheel plant, and 20% for tyre assembly plant) partly due to their water recycling initiatives.

OMI recycled a total of 1,542 cubic metres of water in 2022. From that total, 1,384 cubic metres was treated effluent reused in the production line and 158 cubic metres was from the rainwater harvesting system that was used for the toilets within the building.

HASB effluent water treatment system also recycles the water discharged from its production to its manufacturing line. In 2022, 55 cubic metres of water was recycled back to HASB's production line as compared to 38 cubic metres of water recycled in 2021.

For more information on the Group's water consumption, please refer to page 14 of the Sustainability Report 2022, which is available on the Company's website at www.mbmr.com.my.

WASTE MANAGEMENT

Our businesses generate different types of wastes. The Group is committed to minimise the waste materials from our operations as well as to manage our scheduled waste in accordance with the regulatory requirements. As part of our initiatives, the Group implements practical measures to reduce, reuse, recycle or dispose our waste in an environmentally responsible manner.

In addition, the Group's manufacturing companies are certified with ISO 14001:2015 Environmental Management System ("EMS") which enable us to adequately identify and manage the environmental aspects and impacts from our operations in line with the regulatory requirements.

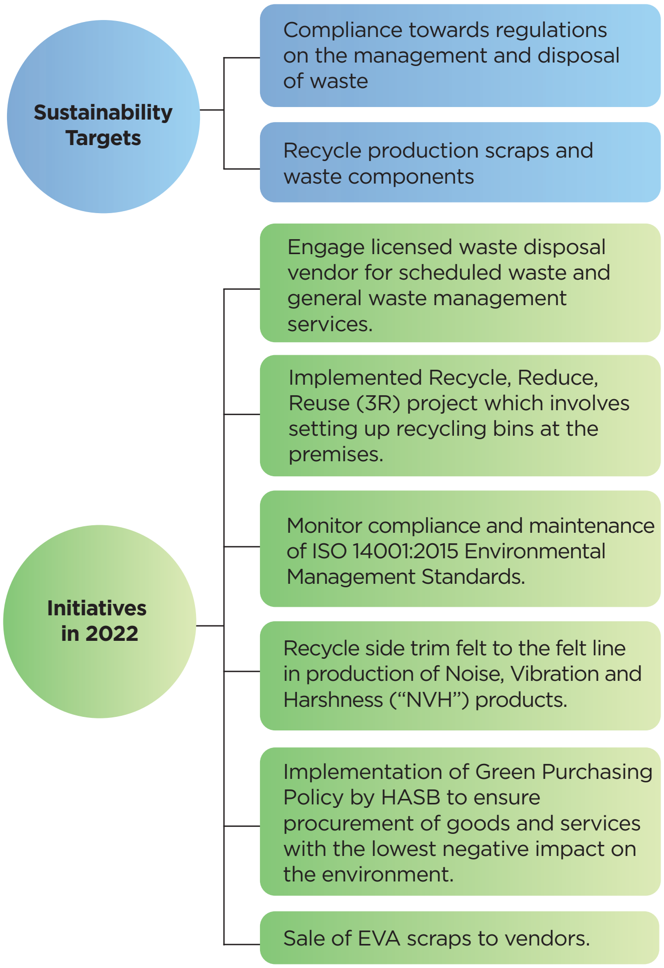
Companies under MBMR Group strictly comply to the relevant regulations under the Malaysian Environmental Quality Act 1974. We monitor the quantity and quality of effluent discharged and air emissions to ensure all are within the acceptable parameters based on the regulations. Regular effluent and air emission analysis are conducted by authorised third parties and reported to the Department of Environment.

Waste management involves the regular collection, transportation, processing, recycling and disposal of different types of wastes. In 2022, as in all previous years, all our subsidiaries engaged with licensed waste disposal companies to manage scheduled and general wastes.

We also advocate to all our employees on the importance of reducing, reusing and recycling to reduce the amount of waste. We set up recycling bins in our premises and actively find ways to recycle and reuse materials in our manufacturing process.

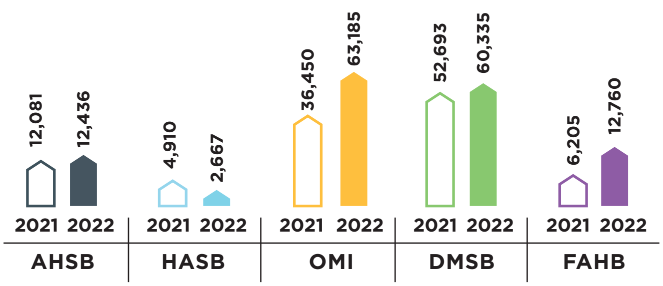
Our manufacturing companies also adopts a green purchasing policy where emphasis is placed on procuring products that are recycled, environmentally friendly or come from companies with responsible environmental practices whenever the products meet our cost, performance and quality requirements.

Below is a summary of the Group's waste management target and initiatives:

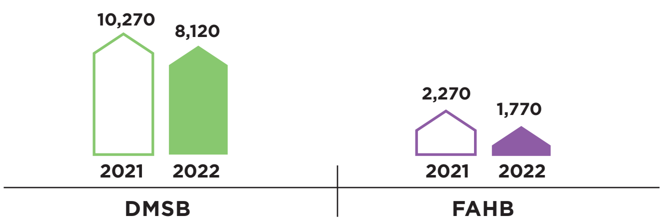


Indicators

Scheduled Waste Disposed 2021 - 2022



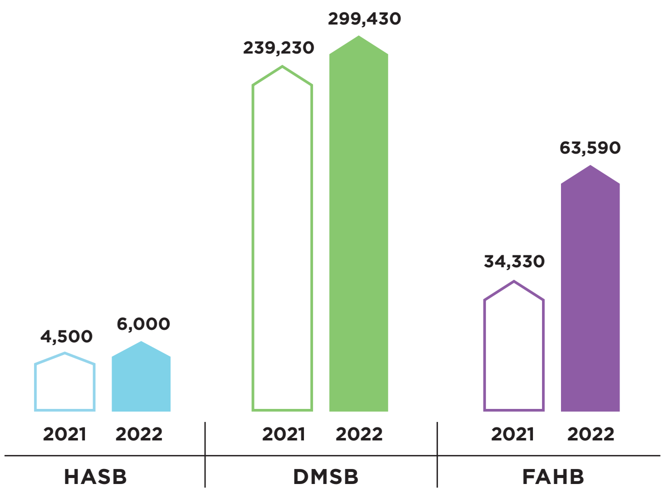
Disposed Scheduled Waste (kg)



Disposed Scheduled Waste (litre)

Due to the increase in production across all our manufacturing companies to meet the market demand on automotive parts in 2022, the amount of scheduled waste disposed has generally increased compared to 2021.

Scheduled Waste Recycled 2021 - 2022



Recycled Scheduled Waste (litre)

The used engine oils during servicing of vehicles at our motor trading companies are recycled to licensed vendors. Compared to the previous year, DMSB recycled 25% more used oils in 2022 while FAHB recycled 85% more.

Effluent Discharged

OMI	2020	2021	2022
Effluent Discharged (m^3)	8,397	7,148	9,480
Recycled Treated Water (m^3)	0	0	1,384
Nett Effluent (m^3)	**8,397**	**7,148**	**8,096**

This year OMI discharged a total 9,480 cubic metres of effluents. With the new initiative in 2022 of treating and recycling water to be reused in the production line, OMI was able to treat and reuse 1,384 cubic metres of discharged water for their manufacturing process, thus resulting in a net effluent of 8,096 cubic metres from its industrial effluent treatment system. In the case of HASB, all the water treated from its industrial effluent treatment system were recycled back to its production line.

CLIMATE CHANGE

The Group is also committed to reducing its Greenhouse Gas emissions through implementation of proven and feasible technology solutions. The Group will assess its climate related risks and apply suitable mitigation measures to ensure minimal disruption to its operations. We will be monitoring matters related to climate change and reporting details of our performance and initiatives in future disclosures.

PILLAR 2: SOCIAL

The quality of our relationships and engagement with our stakeholders is of utmost importance to our sustainability and growth. We recognise the way we operate our business can directly or indirectly affect employees, customers and the local communities.

DIVERSITY AND EQUAL OPPORTUNITY

Diversity and inclusion are vital to strengthening our culture and we are determined to be a company where employees from all backgrounds feel engaged, empowered, recognised and valued. This reflects the diversity of the customers we serve and the uniqueness of the multi-racial society in Malaysia. We endeavour to create an environment where we can be ourselves, regardless of our background and to thrive both as individuals and as a company.

In achieving our goal of diversity and inclusivity, the Group has implemented a Code of Business Conduct and Ethics ("COBCE"). The COBCE sets the standards of behaviour expected of all employees of the Group and where applicable, to third parties such as our business partners.

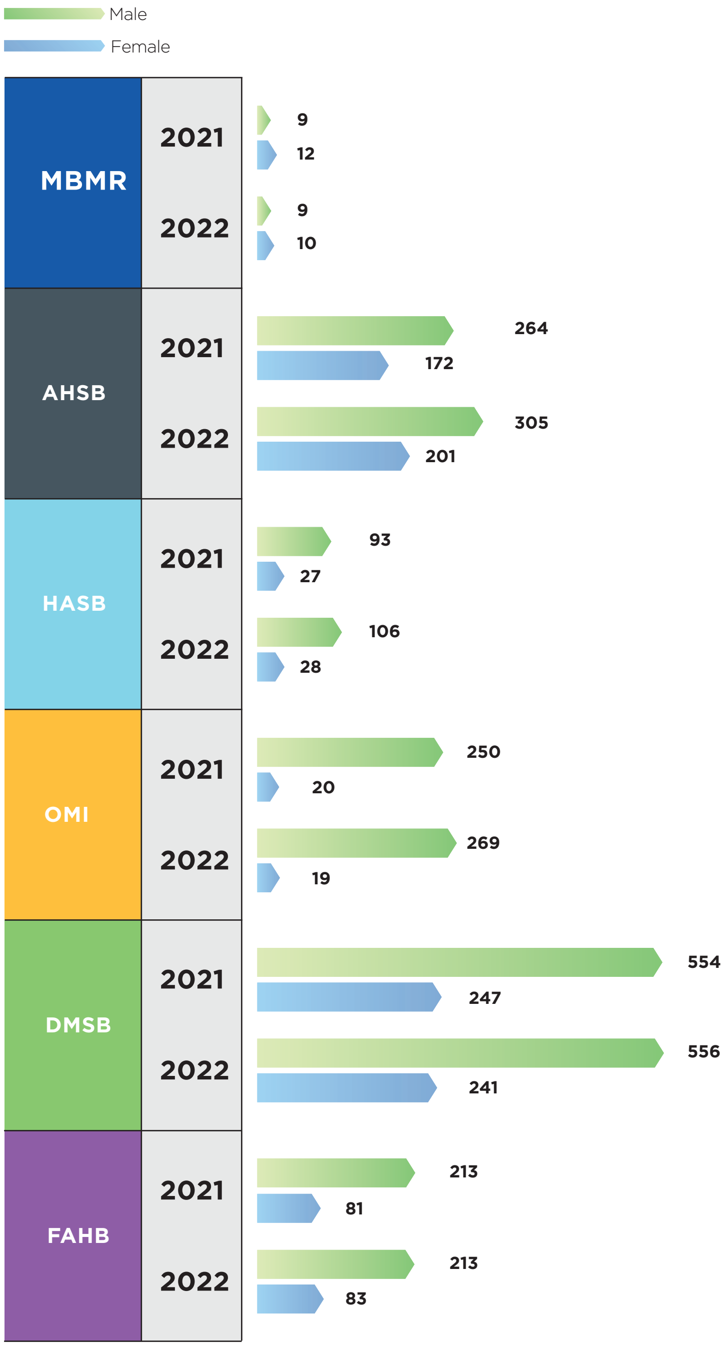
In 2022, the Group conducted its annual refresher training and attestation on the COBCE. A robust performance management system was also implemented throughout the Group to ensure a fair and transparent assessment of all employees.

The employee demography of the Group is presented in the graph and table below.

Employees by Age 2021 - 2022

	2021			2022		
	<30 years old	30 - 50 years old	> 50 years old	< 30 years old	30 - 50 years old	> 50 years old
MBMR	4	13	4	3	14	2
AHSB	273	136	27	355	125	26
HASB	35	70	15	44	74	16
OMI	116	122	32	122	129	37
DMSB	168	495	138	164	490	143
FAHB	106	142	46	90	159	47

Employees by Gender 2021 - 2022



Overall, the Group has a workforce of more male employees than female. As of 31 December 2022, a total of 71% of the Group's employees are male and 29% are female.

The Group does not tolerate any form of discrimination based on gender, race, disability, nationality, age or sexual orientation. Employment related decisions are based on relevant qualifications, merit, performance and other job-related factors and in compliance with applicable laws and regulations.

HEALTH AND SAFETY

Our people are central in driving the Group's growth. Good health and safety measures allow our employees to work more efficiently, safely and productively. Therefore, protecting our valued employees from injuries and harm is paramount to our business. This was significantly more important with the unprecedented disruption and uncertainty caused by the COVID-19 pandemic.

In our commitment towards health and safety, the manufacturing companies under the Group are accredited with ISO 45001:2018, the international occupational health and safety management system to ensure we continuously provide safe and healthy workplaces to our employees by preventing work-related injuries, as well as by proactively improving its occupation health and safety performance.

Basic Firefighting Training at OMI

BOMBA safety inspection at HASB

A summary of the Group's safety and health initiatives in 2022 is listed below:

Sustainability Targets

- Achieve target injury frequency rate (IFR)

Initiatives in 2022

- Conduct safety trainings at the workplace and fire hazard awareness programmes.
- Conduct health awareness programmes which includes health check-ups and blood donation drive.
- Conduct monthly reviews of Safety and Health Reports and implement preventive action.
- Conduct safety inspections within premises regularly.
- Conduct yearly safety and fire prevention and training for all staff.
- Conduct annual health and safety programmes such as safety shop floor management and safety patrol and inspection.
- Conduct Safety, Health and Environment ("SHE") meetings.
- Conduct monthly safety and health audits and inspections.
- Establish a platform where all employees can report hazards at the workplace so that improvements can be made.
- Set up a Safety Dojo to educate and train employees on potential hazards at the workplace.

Indicators

Incident Management

	2020		2021		2022	
	Workplace Incidents	Work Related Fatalities	Workplace Incidents	Work related Fatalities	Workplace Incidents	Work Related Fatalities
MBMR	0	0	0	0	0	0
AHSB	2	0	0	0	4	0
HASB	1	0	0	0	1	0
OMI	1	0	2	0	0	0
DMSB	0	0	1	0	1	0
FAHB	2	0	2	0	3	0

We are pleased to report that, as with the previous two years, there were no fatalities at the workplace in 2022. AHSB and FAHB each had four and three workplace incidents in the year. Meanwhile, HASB and DMSB all had one reported incident at the workplace.

Moving forward, the Group will continue to strive to reduce incidents at the workplace.

STAFF WELFARE

The positive welfare of our employees boosts workforce morale and productivity, ultimately improving retention rates and business efficiency. The wide-ranging reach of staff welfare are addressed throughout the year, with a focus on wellbeing, engagement, training and development.

Another facet of our focus towards staff welfare is the recognition of long-serving employees for their commitment, contribution, trust, and loyalty. At our subsidiary OMI in particular, long-serving employees are presented with awards at intervals of every five years. Awards for long-service employees are also presented throughout the Group.

FAHB Team Building and Awards Night

HASB also awards for Top 5 Best Attendance Employees and Best Hostel Award through a monthly safety and 5S (Sort, Set in Order, Shine, Standardise and Sustain) audit of the hostel. These engagement activities have been beneficial in promoting an improved sense of community spirit within the company.


HASB's Best Hostel Award winners.

MBMR'S Family Day

The focus on staff welfare is rooted on the wellbeing of the employees. We complement our activities with other initiatives such as group-wide surveys and employee engagement sessions. The Group is constantly reviewing its welfare initiatives and will continue to invest in the wellbeing and development of our employees.

The Group's target and initiatives on staff welfare for 2022 are listed below.

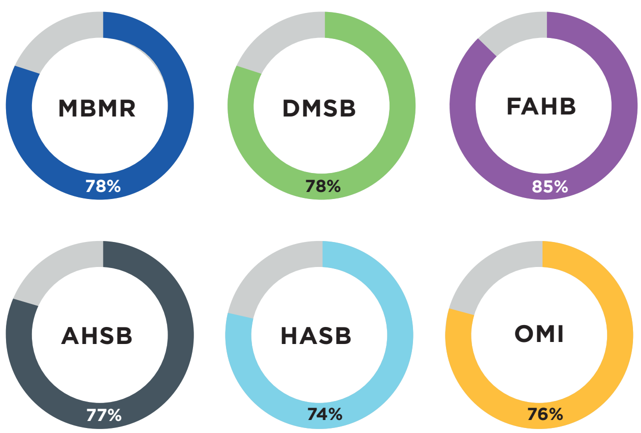
Sustainability Targets

- Score of more than 70% in the Employee Engagement Survey.

Initiatives in 2022

- Conduct Employee Engagement Survey.
- Conduct Employee Engagement Sessions such as Lunch with Management, Townhall and Wellness programmes throughout the year.
- Conduct talent development programmes covering technical and soft skills for technical and non-technical employees.
- Award employees for their long-term service.
- Conduct team building sessions.

In 2022, we conducted an Employee Engagement Survey ("EES") for all employees within the Group. This survey was conducted to gain a better understanding of our employees' expectations and inputs on the work environment and business operations. The score of the survey was as follows:



LABOUR AND WORKING STANDARDS

The Group adheres to and monitors all relevant Malaysian statutory requirements that protect employees' rights, including implementation of the recently amended Employment Act 2022 with new regulatory requirements such as minimum wage, maximum working hours and extended maternity and paternity leave, among others.

Compliance to Act 446 on Employees' Minimum Standards of Housing, Accommodations and Amenities Regulations 2021 are also constantly monitored. HASB conducts monthly safety and 5S audits of worker hostels.

The Group has established employment policies to ensure the right working conditions and experience for all our employees. We have a responsibility to respect, support and uphold fundamental human rights and this is applied to all employees under the Group. As laid out in the Group's COBCE, we are committed to the following:

- Providing equal opportunities regardless of gender, ethnicity or religion.
- Respecting freedom of association.
- Eradicating any form of exploitation such as child or forced labour.
- Ensuring favourable working conditions.
- Respecting community rights.
- Eliminating violence and sexual harassment.

The Group has also set in place an Employee Grievances procedure for employees to address any work-related problems or concerns they may have.

As of 31 December 2022, there has not been any substantiated complaint concerning human rights violation.

CUSTOMER SATISFACTION AND LOYALTY

In our pursuit towards customer satisfaction and loyalty, we have focused our investments on initiatives that will support our goal of building high levels of customer satisfaction and strong brand loyalty.

To deepen our customer insight, it is crucial for the Group to measure how well our products, services and overall customer experience meet our customers' expectations. High customer satisfaction levels lead to long-term and loyal clients that will improve our competitive advantage. For that reason, the Group has conducted annual customer satisfaction surveys to obtain feedback and insights from our customers.

We also continuously find ways to provide our customers with effective and efficient customer service. Digitalisation of our customers' purchasing experience is one of our continued focus areas in 2022. DMSB launched its official one stop digital stores on Lazada and Shopee where customers can place bookings on vehicles, purchase genuine parts and even buy official merchandise.

Meanwhile, Federal Auto Cars Sdn. Bhd (a subsidiary of FAHB) through its principal Volvo Car Malaysia, implemented the Volvo One Voice Customer Feedback Platform which allows customers to give direct feedback and enables us to assess any issues raised by customers in order for us to respond in an efficient and timely manner.

On the manufacturing side, we strive to meet our customers' quality and delivery targets. To achieve this, our manufacturing companies are certified with IATF 16949:2016 - the International Standard for Automotive Quality Management Systems. We are also certified with ISO/IEC 17025:2017 for standards in carrying out tests and calibrations and ISO 9001 for quality management system.

Below is a summary of our initiatives towards customer satisfaction and loyalty for 2022:

Sustainability Targets

- Achieve respective score targets from Customer Satisfaction Surveys

Initiatives in 2022

- Organised sales and service campaigns to help manage cost of vehicle ownership such as 0% interest instalment payment option and discount campaigns on selected car parts for Volvo and Volkswagen service customers.
- Digital transformation to enhance customer purchase journey:
  - Implementation of QR payment to facilitate payment.
  - Launch of Daihatsu e-commerce store in Shopee and Lazada to enhance customer purchase experience.
  - Sales digital ID for sales advisor via Tanyaje to effectively generate leads and enhance selling process with customer.
  - Implementation of Volvo One Voice Customer Feedback Platform
- Conduct Annual Customer Satisfaction Survey.
- Ensure customers' quality and delivery targets are met.

Overall, in 2022 the Group achieved its score targets on the Annual Customer Satisfaction Survey and high response rate for our Customer Relationship Management ("CRM") programmes. We will continue to take the time to understand what great customer service means to our customers and aim for higher targets and standards.

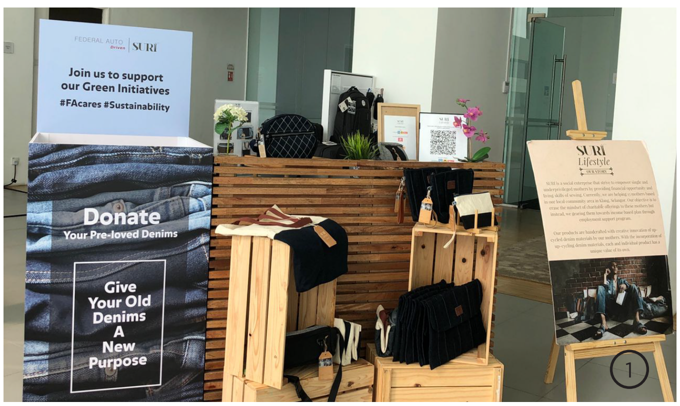
COMMUNITY ENGAGEMENT

The Group promotes the social wellbeing of employees and its local communities through CSR initiatives to actively contribute to local charitable and community projects. Although the economy has reopened, we recognise that communities are still navigating the aftermath of the pandemic. In 2022, MBMR pledged to establish our first MBMR Scholarship Programme.

In the coming years, we will identify other areas in which we can contribute to our community and plan more community engagement programmes.

The following are some of our CSR activities in 2022:

1. In March 2022, FAHB collaborated with SURI Lifestyle, a Malaysian social enterprise that creates job opportunities for underprivileged mothers.
2. HASB's road safety talk and campaign in collaboration with Polis DiRaja Malaysia in April 2022.
3. HASB staff visited and had lunch with the senior citizens of Pusat Jagaan & Pendidikan Warga Emas Darul Isyirah, Bangi in September 2022.
4. HASB staff visited the Rumah Bakti Nur Ain orphanage in Bangi in September to present a donation and have lunch with the children.
5. Tree planting by OMI staff, school children and local volunteers at Taman Rekreasi Paya Bakau, Telok Panglima Garang in September 2022. Fifty trees were planted and a total of 150 adults and children participated in this event.
6. FAHB organised Pinktober - a breast cancer awareness programme in October 2022.
7. AHSB organised a trip to Aquaria KLCC for the children of Persatuan Kanak-kanak Istimewa Kajang Selangor in November 2022.



PILLAR 3: ECONOMIC

LOCAL SUPPLIERS AND COMMUNITY INVESTMENT

We will continuously strive to support the growth of local suppliers within the Group's supply chain ecosystem. In this, the Group procures, where practically possible, from local suppliers in order to enhance the socio-economy of local companies within the industry. In addition, we are also committed to support the socio-economic enhancement initiatives at the local community.

We have begun our monitoring of this aspect and will report our performance and initiatives in future disclosures.

INNOVATION AND DIGITALISATION

We are also committed to embark on innovation and digitalisation initiatives to ensure continuous improvement in our operations, products and services. Prior to the unfortunate arrival of COVID-19, we have begun our digitalisation agenda in 2019 as part of our Transformation Journey. To date, we have completed the creation of our digital platforms and social media presence. Initiatives have been ongoing at our motor trading companies to leverage the digital space through the initiation of a fully integrated marketing campaign. The campaigns have successfully engaged customers in booking test drives and service appointments via digital and social media platforms.

This year witnesses the introduction of DMSB's e-commerce store in Shopee and Lazada. We have also invested in an integrated digital tool for our sales advisors via Tanyaje.my to assist our sales advisors to widen their lead generation and reach.

At our manufacturing companies, we invest in innovations, automation and interconnectivity for our production line in order to improve our operational efficiency. These initiatives will be executed in stages and will be monitored by the Group.

Our innovation and digitalisation initiatives in 2022 are summarised below:

Sustainability Targets

- Implement Digitalisation Initiatives

Initiatives in 2022

- Launch of Daihatsu e-commerce store in Shopee and Lazada.
- Implementation of QR payment to facilitate mode of payment and reduce credit card charges.
- Digitalisation of sales and service booking via social media platforms and websites to ease and enhance customer purchase experience.
- Sales digital ID for sales advisors via Tanyaje to effectively generate leads and enhance selling process.
- Installation of Hirotako Operation System (HOS) to monitor live data of the line operation performance.
- Installation of TRACE System to digitalise the tracking process our products for more efficiency and productivity.
- Installation of SCADA system is in progress for real time data capturing and analysis.

PILLAR 4: GOVERNANCE

For more information on the Governance Pillar please refer to the Corporate Governance Overview Statement on pages 45 to 56 and the Statement on Risk Management and Internal Control on pages 60 to 65 of the Annual Report 2022. In addition, it can also be referred on page 25 of the Sustainability Report 2022, which is available on the Company's website at www.mbmr.com.my

PROFILE OF DIRECTORS

Encik Aqil bin Ahmad Azizuddin
Aged 64, Male, Malaysian
Chairman, Non-Independent Non-Executive Director

Encik Aqil bin Ahmad Azizuddin was appointed to the Board on 26 January 2023 and designated as Chairman on 31 January 2023 but is no stranger to the MBMR Group. He had previously been on the Board of MBMR from 2001 until 2017.

Encik Aqil has more than 30 years of experience in the automotive industry having built his career with Daihatsu (Malaysia) Sdn Bhd since 1991, holding various senior level positions including Managing Director between 2000 and 2008 and is presently the Chairman of the Board. He had also served on the Boards of several subsidiaries within the MBMR group in the past, including as Chairman of Federal Auto Holdings Berhad, Hirotako Acoustic Sdn Bhd, Hino Motors Sales (Malaysia) Sdn Bhd and Director of Autoliv Hirotako Sdn Bhd.

He is currently also the Chairman of Med-Bumikar MARA Sdn Bhd and sits on the Board of Perusahaan Otomobil Kedua Sdn Bhd (POSB) and its subsidiary, Perodua Sales Sdn Bhd. He also serves as the Chairman of the Nomination and Remuneration Committee of POSB.

He holds a Bachelor of Science Degree in Business Economics from Southern Illinois University, United States of America.

Y.Bhg. Dato' Anwar bin Haji @ Aji has been on the Board since 16 January 2018. He is currently the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committee, Risk Management and Sustainability Committee and Long Term Incentive Plan Committee.

Dato' Anwar graduated with a Bachelor of Economics (Honours) from University of Malaya, Malaysia. He further obtained a Master of Arts in International Studies from Ohio University, United States of America.

Dato' Anwar joined the Malaysian public service in 1973 as Assistant Director in the Industries Division under the Ministry of International Trade and Industry. He continued his career in the Malaysian Government until 1994, where he held various senior positions in the Ministry of Finance and the Prime Minister's Department. In 1994, Dato' Anwar joined Khazanah Nasional Berhad and held various management positions including as Managing Director prior to his departure in 2004.

Dato' Anwar was appointed Chairman of Faber Group Berhad from 2001 to 2008 and he was on the Board of CIMB Principal Asset Management Berhad from 2007 to 2021.

He is currently the Chairman of Zelan Berhad.

Y. Bhg. Dato' Anwar bin Haji @ Aji
Aged 72, Male, Malaysian
Senior Independent Non-Executive Director

Mr. Low Hin Choong
Aged 61, Male, Malaysian
Non-Independent Non-Executive Director

Mr. Low Hin Choong was appointed to the Board on 18 May 2001. He is currently the Chairman of the Long Term Incentive Plan Committee and a member of the Risk Management and Sustainability Committee.

He holds a Bachelor of Science (Honours) Degree in Business Administration and Computer Science from Queen's University Belfast, United Kingdom.

Mr. Low has over 30 years of experience in the IT industry. He is the founding director of his own successful software applications company. Mr. Low has since retired but remains as a director and advisor to the company.

Mr. Low is presently a Director of Perusahaan Otomobil Kedua Sdn Bhd and an alternate Director at Med-Bumikar MARA Sdn Bhd. He also holds directorships in Reliance Business Solutions Sdn Bhd, Rosen Sdn Bhd, RBS Technology Sdn Bhd and CathRx Ltd, an Australian-based medical device company.

His current directorships in other companies within the MBMR Group include Hirotako Holdings Berhad, Hirotako Acoustics Sdn Bhd, Autoliv Hirotako Sdn Bhd, Federal Auto Holdings Berhad, Oriental Metal Industries (M) Sdn Bhd, Daihatsu Malaysia Sdn Bhd and MBMR Properties Sdn Bhd.

Mr. Ng Seng Kong
Aged 68, Male, Malaysian
Non-Independent Non-Executive Director

Mr. Ng Seng Kong has been on the Board since 1 October 2015. He is currently a member of the Audit Committee.

Mr. Ng is a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom and a Fellow Member of the Chartered Institute of Management Accountants, United Kingdom. He is also a member of Chartered Global Management Accountant.

Mr. Ng started his career as an auditor at a chartered accounting firm in London from 1975 to 1979. Upon returning to Malaysia, he joined MKS Sdn Bhd as a Financial Controller from 1980 to 1981. Presently, Mr. Ng serves as Managing Director of UMS Holdings Berhad and UMS Corporation Sdn Bhd.

Mr. Ng also currently holds directorships in several companies within the MBMR Group namely, Hirotako Holdings Berhad, Hirotako Acoustics Sdn Bhd, Autoliv Hirotako Sdn Bhd, Federal Auto Holdings Berhad, Oriental Metal Industries (M) Sdn Bhd, MBMR Properties Sdn Bhd, Teck See Plastic Sdn Bhd, Hino Motors Sales (Malaysia) Sdn Bhd and Hino Motors Manufacturing (Malaysia) Sdn Bhd. He is also a Director on the Board of Med-Bumikar MARA Sdn Bhd.

Ms. Wong Fay Lee was appointed to the Board as a Non-Executive Director on 29 May 2019. She is currently the Chairman of the Risk Management and Sustainability Committee and a member of the Nominating and Remuneration Committee.

Ms. Wong graduated from the University of Sydney with a Bachelor's Degree in Law. She also holds a Graduate Diploma in Applied Finance and Investments from Securities Institute Australia.

She started her career in 1987 as a corporate finance lawyer with Mallesons Stephen Jaques in Sydney, Australia and later as a Senior Associate in Mallesons' South East Asian practice. She then joined the Malaysian Securities Commission as Manager of Product Development from 1993 to 1995.

Her past leadership positions include serving as Chief Executive Officer at Malaysian Derivatives Clearing House Bhd (now known as Bursa Malaysia Derivatives Berhad) from 1995 to 2000, Adviser to the Clearing Division of Hong Kong Exchanges and Clearing Limited from 2001 to 2002 and she was also an Independent Director at KFH Asset Management Sdn Bhd from 2002 to 2010.

Ms Wong was previously appointed as an Executive Director in MBMR from 2014 to 2017 while concurrently serving as MBMR's Head of Governance, Legal Risk & Compliance between 2011 until 2018. She was also appointed as Managing Director of Federal Auto Holdings Berhad from 2016 to 2017.

She is currently the Chairman of Federal Auto Holdings Berhad and a Director at Daihatsu (Malaysia) Sdn Bhd, Med-Bumikar MARA Sdn Bhd, and Astute Fund Management Berhad (formerly Apex Investment Services Berhad).

Ms. Wong Fay Lee
Aged 59, Female, Malaysian
Non-Independent, Non-Executive Director

Y. Bhg. Dato' Zulfikri bin Osman
Aged 56, Male, Malaysian
Non-Independent Non-Executive Director

Y. Bhg. Dato' Zulfikri bin Osman was appointed to the Board on 26 January 2023.

Dato' Zulfikri holds a Diploma in Accountancy and a Degree in Business Administration (Honours) from MARA University of Technology, Malaysia. He also holds a Master of Science in Management from Universiti Utara Malaysia and has completed Executive Development Programmes at both Harvard Kennedy School and INSEAD Business School.

Dato' Zulfikri has over 30 years of experience in the areas of entrepreneurship, education and investment both in the public and private sector. He was an Education Attaché at the High Commission of Malaysian in London from 2005 to 2008. He was also previously on the Board of MARA Inc (London) Limited, M-Aerotech Sdn Bhd and Malaysia Industry-Government Group for High Technology (MIGHT).

Dato' Zulfikri is presently the Deputy Director General (Entrepreneurship) of Majlis Amanah Rakyat (MARA) and a Director of Med-Bumikar MARA Sdn Bhd. Apart from that, he also holds various board positions in MARA investee companies such as Asia AeroTechnic Sdn Bhd, PMB Investment Berhad and PMB Tijari Berhad, including Interim Group Executive Director of Pelaburan MARA Berhad. He currently serves on the Advisory Panel of Universiti Tenaga Nasional (UNITEN) and is an Adjunct Professor of Universiti Kuala Lumpur (UniKL) Business School. Dato Zulfikri is also a Director of Kesedar Dagang Sdn Bhd and Akademi Transformasi Asnaf MAIPS Sdn Bhd.

Puan Nik Fazila was appointed to the Board on 31 January 2023. She is currently the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee.

Puan Nik Fazila holds a Bachelor of Economics (Accounting) from Flinders University of South Australia. She is a qualified Chartered Accountant from the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA).

She has more than 30 years of experience in the field of accounting, finance, business assurance and corporate transactions.

She started her career in 1988 at Price Waterhouse (now known as PricewaterhouseCoopers) in audit and business advisory services. After 10 years with Price Waterhouse, she joined Sapura Telecommunications Berhad from 1998 until 2000 as a General Manager of the Corporate Audit Division. Between 2001 to 2012, Puan Nik Fazila held various senior roles which included Group General Manager (Finance) at KUB Malaysia Berhad, Chief Financial Officer at UDA Holding Berhad and Chief Financial Officer at Biotropics Malaysia Berhad, a Khazanah Nasional Berhad investee company. In 2012, she joined Chemical Company of Malaysia Berhad as Group Chief Financial Officer and went on to become the company's Group Managing Director in 2017 until 2021.

She is presently on the Boards of FGV Holdings Berhad and MSM Malaysia Holdings Berhad.

Puan Nik Fazila binti Nik Mohamed Shihabuddin
Aged 56, Female, Malaysian
Independent Non-Executive Director

Notes:
1. *Save as disclosed, none of the Directors have any family relationship with any Director and/or major shareholders of the Company.* ***2.*** *None of the Directors have any conflict of interest with the Company.* ***3.*** *Other than traffic offences, none of the Directors have been convicted of any offences within the past five years nor have been imposed any public sanctions or penalties by the relevant regulatory bodies during the financial year 2022.*

PROFILE OF MANAGEMENT COMMITTEE

From left to right: Ms Lee Lynnie, Encik Ijlal Nadzir, Encik Muhammad Fateh Teh bin Abdullah, Ms Chin Tze Fui @ Annie Chin and Encik Muhammad Haliff bin Khairuman

Encik Muhammad Fateh Teh bin Abdullah

Aged 52, Male, Malaysian

Group Chief Executive Officer

Encik Muhammad Fateh Teh bin Abdullah was appointed President & Chief Executive Officer (CEO) on 8 February 2021. He is now designated as the Group Chief Executive Officer.

Encik Muhammad Fateh currently serves as Director on the Board of several companies under the Group. These companies include Daihatsu (M) Sdn Bhd, Federal Auto Holdings Berhad, Autoliv Hirotako Sdn Bhd, Teck See Plastic Sdn Bhd, Hirotako Acoustics Sdn Bhd and MBMR Properties Sdn Bhd.

He is also on the Board of MBMR's associates, Perusahaan Otomobil Kedua Sdn Bhd and Hino Motor Sales (Malaysia) Sdn Bhd.

Encik Muhammad Fateh has a Bachelor of Economics from International Islamic University.

He has completed his Six Sigma Champion Training from Motorola University and a Business Statistics course by LCCI.

He brings with him vast experience in the automotive industry, having held various senior positions with companies such as UMW Holdings Group of Companies and Perodua Sales Sdn Bhd. Encik Muhammad Fateh was the Head of Automotive Distribution Division of Hicom Holdings Berhad before he joined MBMR.

Ms. Chin Tze Fui @ Annie Chin

Aged 54, Female, Malaysian
Group Chief Financial Officer

Ms Chin Tze Fui @ Annie Chin was appointed as the Group Chief Financial Officer on 29 September 2020. She joined MBMR on 1st November 2016 as the Group Financial Controller and was the Acting President and CEO of MBMR from October 2020 to February 2021.

Annie has also previously served on the Board of a number of companies under the MBMR Group, namely Daihatsu (M) Sdn, Federal Auto Holdings Berhad, Autoliv Hirotako Sdn Bhd and Teck See Plastics Sdn Bhd.

Annie graduated with a Bachelor of Science in Accounting (Honours) from Oklahoma State University, United States of America and she is a member of Malaysian Institute of Accountants (MIA).

Annie has over 30 years of experience in the field of financial management practices covering various aspects of accounting, finance, business assurance and corporate transactions. She served as an Audit Manager at Ernst & Young Malaysia early in her career and proceeded to join Scomi Group Berhad. During her years with Scomi Group Berhad, Annie held several senior positions including Group and Regional Financial Controller. She later became a Partner at Annbren Management & Consultancy Services from 2011 to 2016 prior to joining MBMR.

Ms Lee Lynnie

Aged 38, Female, Malaysian
Head, Group Legal and Governance

Ms. Lee Lynnie holds a Bachelor of Laws (LL.B) from the University of London and brings with her more than 15 years of in-house legal counsel and corporate governance experience.

Ms. Lee started her career at Rockwills Trustee Berhad as a Legal Advisor and thereafter rose the ranks to Assistant Manager before taking on her next role as Assistant Legal Manager for the Tropicana Corporation Berhad Group.

Subsequently, she joined MBM Resources Berhad and held the position of Manager in the Governance, Legal, Risk and Compliance Department. She left briefly to serve as a Legal Specialist of Microvalue Equity Sdn Bhd before rejoining the MBMR Group as the Legal & Governance Lead of the Transformation Office in March 2020, where she was instrumental in the transformation of the legal and governance framework for the group and acted as the Secretariat for the Board's Group Transformation Committee. She was later redesignated as the Head of Group Legal and Governance in January 2022 after the completion of the Group Transformation Programme.

Encik Ijlal Nadzir

Aged 46, Male, Malaysian
Director, Group Corporate Services

En. Ijlal Nadzir joined MBMR in February 2020 as Director of the Transformation Office and then redesignated to Director of Group Corporate Services in January 2022 after the completion of the Group Transformation Programme.

En Ijlal brings with him more than 20 years' worth of experience in the Human Capital sphere especially in areas of Organisational Development, Leadership & Succession Management, Talent Management, Talent Assessment and Human Capital Transformation.

He began his career as a Consultant in Mercer Human Capital Consulting before joining Khazanah National Berhad as Vice President, Strategic Human Capital Management. He then continued his leadership roles as Director, Vice Chancellor's Office of UNITAR International University and then Executive Director of UNITAR International Academy, both companies under the ambit of Ekuiti Nasional Berhad. Prior to joining the MBMR Group, he was Director of Group Strategic Human Capital of MARA Corporation.
En. Ijlal who is a certified General Aviation pilot holds a Bachelor's Degree (Hons) in Accounting and Financial Studies from the University of Exeter, UK and is a Certified Training Professional accredited by the Institute of Training and Development. He holds memberships in the International Coaching Federation, Society for Human Resource Management, and Institute of Corporate Directors Malaysia.

En Muhammad Haliff bin Khairuman

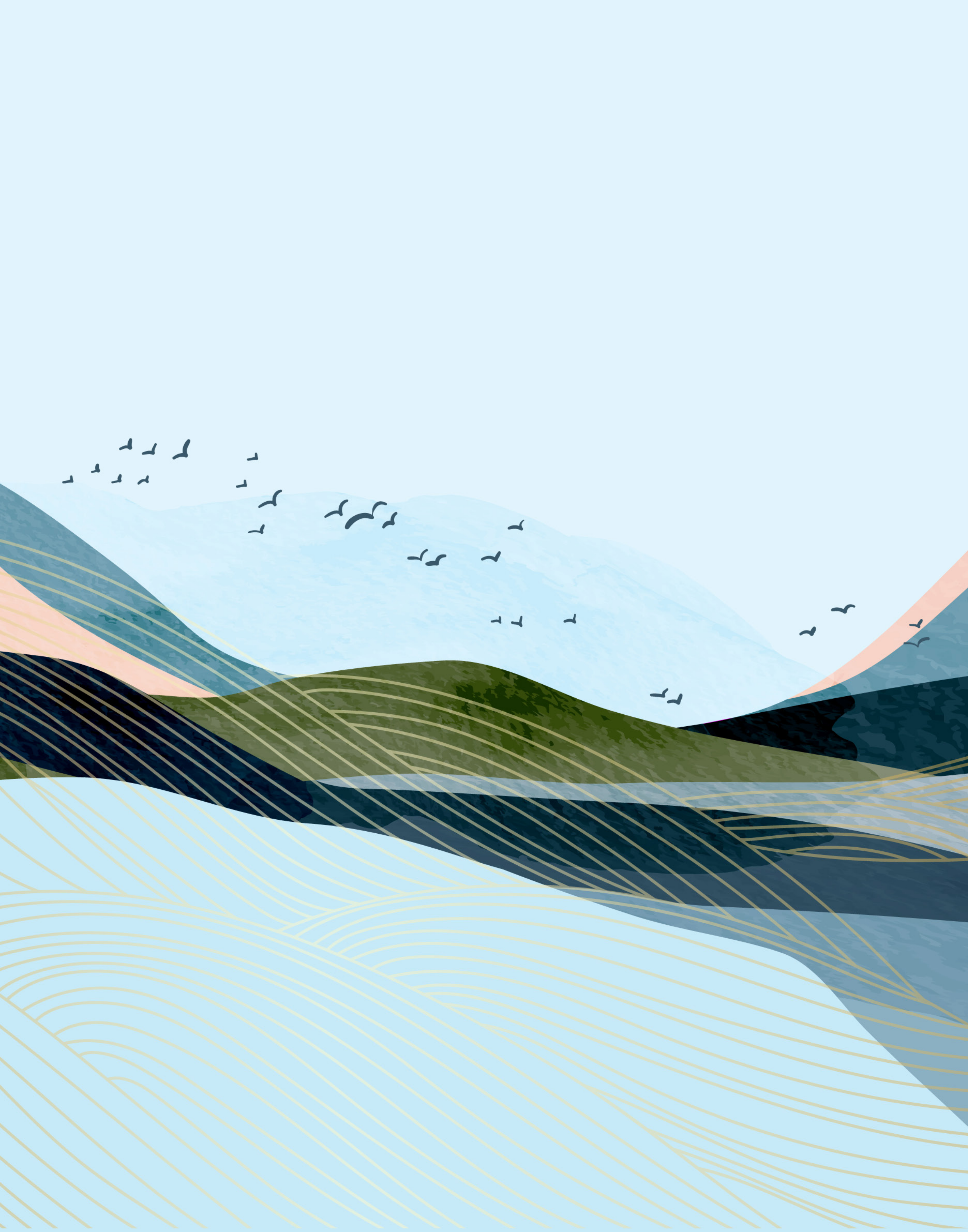
Aged 37, Male, Malaysian
Head, Group Risk Management & Compliance

En Haliff is a risk practitioner and was appointed as Head of Group Risk Management & Compliance of MBM Resources Berhad in November 2021. He is responsible for overseeing the risk management, compliance and sustainability portfolios within the Group.

He has built his specialty in risk management and career in Public Listed Companies. Prior to joining the Group, En. Haliff held various positions including Senior Manager of Risk Management at Top Glove Corporation Berhad and Risk Manager at Malakoff Corporation Berhad. He has also served at Deleum Berhad and Pernec Corporation Berhad.

En Haliff holds a Bachelor's Degree in International Business Management from Universiti Utara Malaysia. He also holds an International Certificate in Risk Management from the Institute of Risk Management, UK.

Notes:
The above members of the Management Committee have no family relationship with any Director and/or major shareholders of the Company, have no conflict of interest with the Company, have not been convicted of any offences, other than traffic offences, within the past five years, nor been imposed any public sanctions or penalties by the relevant regulatory bodies during the financial year 2022.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of MBMR ("Board") is committed to achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings.

This Corporate Governance Overview Statement ("CG Overview Statement") sets out MBMR's application of the principles and recommendations of the Malaysian Code on Corporate Governance 2021 ("MCCG") throughout the financial year ended 31 December 2022 and is to be read together with the MBMR Corporate Governance Report 2022 ("CG Report") which is available on the Company's website at www.mbmr.com.my.

This CG Overview Statement is presented based on the following three key principles of good governance as provided in the MCCG:

The CG Overview Statement highlights practices that best illustrates Company's compliance with the MCCG, which the Board believes is the foundation of continuous and sustainable business growth and not merely for the purpose of meeting regulatory requirements. At the same time, departures from the prescribed practices are identified, explained and presented with alternative practices undertaken by the Company to achieve the intended outcomes as envisioned by the MCCG.

Compliance with MCCG

The Board is of the opinion that the Group has, in all material aspects, complied with the principles and practices set out in the MCCG for the financial year ended 31 December 2022, apart from departures on the following practices:-

- Practice 1.4 (The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee);
- Practice 5.2 (At least half of the Board comprises independent directors);
- Practice 5.9 (The Board comprises at least 30% women directors); and
- Practice 8.2 (Disclosure of top five senior management's remuneration component on a named basis).

Explanations on these departures are further elaborated in the CG Report which is available on MBMR's corporate website at www.mbmr.com.my.

BOARD LEADERSHIP AND EFFECTIVENESS

Roles and Responsibilities of the Board

MBMR is led by the Board, who has full and effective control over the business undertakings of the Company subject to the powers reserved for the shareholders under the Company's Constitution, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other applicable laws.

The Board sets the strategic direction for the Company, ensures that the necessary resources are available for the Company to achieve the strategic direction and provides consistent oversight and review on the Company's progress in meeting the direction. The Board, as guided by the Company's Board Charter, retains effective control over important policies and processes covering areas such as internal controls, risk management and remuneration of employees of the Company. The Board also ensures that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental, and social considerations underpinning sustainability and oversees the sustainability governance of the Group including setting the Group's sustainability strategies priorities and targets as outlined in the Company's Sustainability Report.

At MBMR, there is a clear division of responsibilities between the Board and the Group Chief Executive Officer ("GCEO") to ensure a balance of power, authority and accountability.

The Chairman of the Board is responsible to lead the Board in the effective performance of its function and act as the conduit amongst members to facilitate constructive discussions at meetings. Details of the Board meetings held in 2022 and the Board members' respective attendances are disclosed on page 57. As of the date of this CG Overview Statement, the Chairman of the Board is En. Aqil bin Ahmad Azizuddin, who was appointed on 31 January 2023 upon the resignation of Datuk (Dr) Aminar Rashid bin Salleh on the same date.

The GCEO, Encik Muhammad Fateh Teh bin Abdullah on the other hand spearheads the business and the day-to-day management of the Group and implements the strategies approved and as directed by the Board.

The Senior Independent Director ("SID"), Dato' Anwar bin Haji @ Aji meanwhile acts as a sounding board to the Chairman and serves as an intermediary for other Directors and point of contact for shareholders and other stakeholders when necessary.

Detailed disclosure on the responsibilities of the Board, Chairman, SID, and GCEO are provided in the Board Charter and the CG Report which are available on the Company's website at www.mbmr.com.my.

The Company Secretaries of the Company are appointed by the Board based on criteria related to the qualifications, experience and competence of the individuals concerned to carry out their duties and functions.

The Company Secretaries of the Company have the requisite credentials and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.

The Company Secretaries play important roles in good corporate governance by ensuring the Board adheres to all applicable laws and requirements and advocates adoption of corporate governance best practices.

Demarcation of Responsibilities of the Board, Board Committees and Management

The Board has adopted a formal Board Charter which is available on the Company's website at www.mbmr.com.my. The Board Charter sets out matters reserved for the Board, defines the role and responsibilities of the Chairman, SID, GCEO, Company Secretary, and the Board Committees.

The Board Charter assists the Company's stakeholders to better understand the objectives of the Board, and the manner in which the Board exercises its authority and discharges and delegates responsibilities in managing the affairs of the Company.

The Board Charter is subject to an annual review and more frequently, if required, to ensure it remains consistent with any changes in the law, latest developments in regulations, guidelines or best practices issued or recommended by the relevant authorities, or any changes to the Company or the Group's business which may affect the Board Charter. The Board Charter was reviewed on 7 March 2022 for financial year ended 31 December 2022.

To facilitate the Board in carrying out its duties as set out in the Board Charter, the Board is assisted by four Board Committees in 2022 to which the Board has delegated several key functions, namely the Audit Committee ("AC"), the Nominating and Remuneration Committee ("NRC"), the Risk Management and Sustainability Committee ("RMSC") and the Long Term Incentive Plan Committee which operate within the Terms of Reference of the respective Committees. The Terms of Reference of the Board Committees approved by the Board are in line with the Listing Requirements and the MCCG and are available on MBMR's website at www.mbmr.com.my.

Promoting Good Business Conduct and Maintaining a Healthy Corporate Culture that Engenders Integrity, Transparency and Fairness

The Board has adopted a formal Code of Business Conduct and Ethics ("COBCE") that applies to all Directors and employees of the Group with the objective of providing guidance on the standards of behaviour expected of Directors and employees of the Group and where applicable, third parties including counterparties and business partners.

The Board also adopts a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts. With Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACCA") taking effect on 1 June 2020, the Board had approved and implemented the MBMR Group Anti-Bribery and Anti-Corruption Policy ("ABC Policy") which sets out the Group's position on avoiding bribery and corruption practices in all its forms in the Group's daily operations. The ABC Policy is developed based on the "T.R.U.S.T" Principles under the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACCA.

To further supplement the COBCE and the ABC Policy, the Board has established and approved a Whistleblowing Policy aimed at providing an avenue for all employees and members of the public to disclose any improper conduct or criminal offence committed or about to be committed within the Group including, inter alia, suspected and/or known fraud, corruption, and other unlawful acts. The Whistleblowing Policy sets out the processes, procedures and appropriate channels which facilitate whistleblowing, and additionally provides the assurance of protection to the whistleblower.

The COBCE, the ABC Policy and the Whistleblowing Policy are reviewed periodically by the Board to ensure adequacy and updated from time to time to reflect or incorporate any new regulatory requirements/developments. All Directors and employees are required to periodically attest and acknowledge their acceptance of the aforesaid policies and the latest versions these policies are made available on the Company's website at www.mbmr.com.my.

Board Composition

For the period from 1 January 2022 to 2 June 2022, the Board comprised six (6) directors, four (4) of whom were Non-Independent Non-Executive Directors and two (2) were Independent Non-Executive Directors. At the conclusion of the Company's 28th Annual General Meeting held on 1 June 2022, Encik Muhammad Lukman bin Musa @ Hussain retired as Director resulting in the Board's composition being reduced to five (5) Non-Executive Directors, three (3) of whom were Non-Independent Directors and two (2) were Independent Directors for the period from 1 June 2022 to 31 December 2022.

Subsequent to financial year ended 31 December 2022, there were changes to the Board composition as follows:-

- On 26 January 2023, two (2) additional Non-Independent Non-Executive Directors, namely Encik Aqil bin Ahmad Azizuddin and Dato' Zulfikri bin Osman were appointed;
- On 31 January 2023, Puan Nik Fazila binti Nik Mohamed Shihabuddin was appointed as an Independent Non-Executive Director; and
- On 31 January 2023, Datuk (Dr) Aminar Rashid bin Saleh, the Independent Non-Executive Chairman resigned as Chairman and Director of the Company.

As of the date of this CG Overview Statement, the Board comprises seven (7) Directors, five (5) of whom are Non-Independent Non-Executive Directors and two (2) are Independent Non-Executive Directors, which is in compliance with the requirement under Paragraph 15.02(1) of the Listing Requirements of Bursa Securities, i.e. at least two Directors or one third of the Board of Directors are Independent Directors.

Although the current Board composition does not meet the recommendation under MCCG Practice 5.2, the Board considers that the Company's interest as a whole will be best served by the Non-Independent Non-Executive Directors forming a majority of the Board and contributing to the strategies and policy decisions of the Company from a highly invested standpoint, while the Independent Directors continue to provide a significant check and balance function to ensure that decisions are free of any conflict of interest.

Additionally, the Company considers the skillsets of the Board members to be complementary and together, they give a balance of industry-specific knowledge and commercial experience to the Company. This balance enables the Board to tap into its holistic view of the business world and make informed and independent judgement to many aspects of the Company's strategy and performance so as to ensure that it maintains the highest standards of conduct, integrity and character.

Further, while the Company departed from Practice 1.4 of MCCG for the Chairman of the Board not to be a member of the AC or NRC in the financial year ended 31 December 2022, the Company was compliant with Paragraph 15.08A(1) and Paragraph 15.09(1)(b) of the Listing Requirements of Bursa Securities wherein the AC and NRC must comprise a majority of independent directors.

As of the date of this CG Overview Statement, the Company has since complied with the recommendation under Practice 1.4 wherein the current Chairman is not a member of the AC and/or the NRC with the appointment of Encik Aqil bin Ahmad Azizuddin as the Chairman of the Board on 31 January 2023 following the resignation of Datuk (Dr) Aminar Rashid bin Salleh. Encik Aqil bin Ahmad Azizuddin is not a member of any Board Committee of MBMR.

Details of the members of the Board and Board Committees as of the date of this CG Overview Statement are disclosed on pages 38 to 41.

Criteria for Recruitment

The NRC is empowered to bring to the Board, recommendations with regards to the appointment of any new Executive or Non-Executive Directors. The NRC periodically reports to the Board on succession planning for the Board Chairman, Directors and Senior Management.

The NRC ensures that the Board has an appropriate balance of a broad range of skills, expertise, experience and competence. This reflects through its selection, interview and review processes that prior to appointment, each of the Company's Directors and the Senior Management have the requisite character, experience, integrity, competence and time to effectively discharge his/her role and responsibilities. Any prospective candidates for directorship who are active politicians shall not be considered to prevent doubts from being cast on the integrity and governance of the Company.

In addition to these criteria, when considering new candidates to fill a vacancy or to add to its Board, the Company will apply its Board Diversity Policy which generally advocates that the Board recognises the value of appointing individual Directors who brings diverse opinions, skills, experience and backgrounds, characteristics, and competency to its discussions and decision-making processes. As such, it is the Board's policy during the selection of new Directors to take into account the diversity of the candidate's character, gender, age and ethnicity, skills, knowledge, experience, background, competency and perspective.

As of the date of this CG Overview Statement, the Company has improved on its women representation in that there are two women Directors on the Board (representing 28.6% of the Board) and two women in senior management positions (representing 40% of Senior Management). The Board aspires to meet the recommendation of having at least 30% women Directors on the Board when seeking potential candidates for the Board in the near future whilst at the same time upholding its code of conduct on non-discrimination and providing equal opportunities to all based on qualification, merit and performance. The Company's Board Diversity Policy is available on the Company's website at www.mbmr.com.my

Nomination and Election Process

The NRC regularly reviews the required qualifications, skills and attributes that would form part of a Director's profile. This profile is used to assess the qualifications and suitability as Executive or Non-Executive Directors of candidates sourced from multiple channels, including but not limited to suggestions from Board members, major shareholders, senior management and independent service providers / search firms. All new candidates will be assessed by the NRC taking into account the following factors prior to its recommendation to the Board:

- Skills, knowledge, expertise and experience, time, commitment, character, professionalism and integrity of the candidate (including the requirement that the candidate is not an active politician) against the Board Skills and Diversity Matrix;
- Fit and proper criteria as guided by the Company's Directors' Fit and Proper Policy which is made available on the Company's website at www.mbmr.com.my;
- Disclosures of any interest, position or relationship that may result in a conflict of interest or might influence, or reasonably be perceived to influence in a material respect the capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole;
- Criteria of independence as prescribed in the Listing Requirements of Bursa Securities (for Independent Directors).

On appointment, Directors take part in an induction programme where they receive a presentation package that provides them with a business and financial overview of the Company as well as latest information about the Group. This is supplemented by visits to key locations and meetings with senior executives. Directors are also advised, upon appointment, of their legal and other obligations as a Director of a public-listed company.

Further, in accordance with the Company's Constitution, one-third of the Directors shall retire by rotation annually and all Directors shall retire from office once at least in each three years but shall be eligible for re-election. Prior to re-election, the NRC shall ensure that its recommendation shall be subject to a satisfactory performance evaluation outcome of the individual Director (which includes a fit and proper assessment in accordance with the Company's Directors' Fit and Proper Policy), with due consideration to the tenure of the Director and the extent to which the Director's expertise, skills, knowledge, and experience interplay with those of other Board members, as well as their roles as committee members. The Board will also include its statement of support in the notes accompanying the notice of general meeting together with any information shareholders may require in making an informed decision on the appointment.

Board Development

All Directors of the Company have attended the Mandatory Accreditation Programme as required by the Bursa Securities. The Directors continue to update their knowledge and enhance their skills through appropriate continuing education programmes and life-long learning. This will enable the Directors to effectively discharge duties and sustain active participation in the Board deliberations.

The Board, via the recommendations of the NRC, evaluates and determines the training needs of the Directors. In addition, individual Directors may also attend additional training courses according to the needs as a director or a member of Board Committees on which they serve.

The Board is notified of a series of training programmes or workshop conducted by Bursa Securities for its consideration of participation and the Board receives updates of the Listing Requirements from the Company Secretaries from time to time. The external auditors and the Group Chief Financial Officer also briefed the Directors on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements. Additionally, the Board ensures that it stays abreast and understands the sustainability issues relevant to the Company by attending sustainability seminars and training from time to time.

Details of the training attended by the Directors in 2022 are listed on pages 58 to 59.

Annual Assessment

The NRC carries out an annual assessment of the effectiveness of the Board as a whole, the performance of each of the Board Committees and each individual director against a set of criteria (collectively referred to as the "Board Effectiveness Assessment" or "BEA") and is conducted by way of questionnaires completed by the Directors on a confidential basis.

The BEA comprises the following areas:

	BOARD	BOARD COMMITTEES	INDIVIDUAL DIRECTORS
1	Board Structure, Mix and Composition	Terms of Reference	Contribution and Performance
2	Quality of Information and Decision Making	Experience and Expertise	Calibre and Personality
3	Board's Role and Responsibilities	Quality of Recommendations	Fit and Proper
4	Sustainability		

The assessment not only identifies areas of development for the board and individual directors but also promotes awareness on the criteria and obligations in which the Board, Board Committees and individual directors are required to possess and perform.

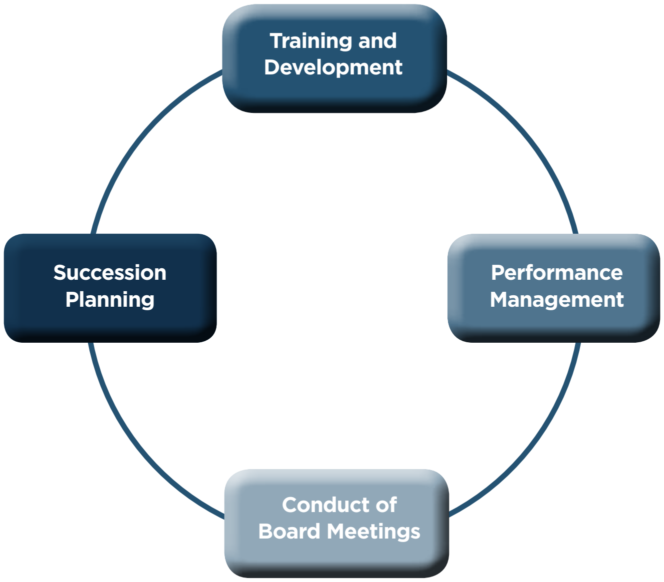
The outcome of the BEA is subsequently prepared and presented to the NRC and the Board in February each year in respect of the preceding calendar year's assessment.

The outcome of the BEA during the financial year ended 31 December 2022 was as follows:

Among the areas where the Board scored the highest were:

- Clear definitions of the role and responsibilities of directors;
- Boardroom diversity matters were appropriately addressed;
- Identification and management of risks which may have significant impact on the Company;
- Board deliberations and frequency of meetings.

Although the Board, Board Committees and individual directors generally scored higher than average on its ratings, several key areas for improvement together with their corresponding action plans for the Board and Senior Management were also identified and agreed upon namely:



Overall, the Board considered the outcome of the BEA satisfactory in terms of its effectiveness and will continue to monitor and review its agreed measures towards further improving its effectiveness especially in view of the change in composition of the Board as of January 2023.

Assessment and Tenure of Independent Directors

The independence of Directors is assessed against a list of criteria and materiality thresholds that have been incorporated into the MBMR Board Charter. Each Director, who is listed as an Independent Director complies with the relevant criteria for independence set out in the Board Charter in accordance with the Listing Requirements of Bursa Securities.

The Board Charter provides that the tenure of an Independent Directors shall not exceed a cumulative term of nine years. Nonetheless, upon completion of the nine years, the Independent Director may continue to serve the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine years, it shall provide justification and seek annual shareholders' approval through a two-tier voting process.

As of the date of this CG Overview Statement, there are two Independent Directors on the Board. None of them have served the Board for cumulative terms of nine years.

Remuneration of Directors and Senior Management

The NRC and the Board has adopted a Board Remuneration Policy which provides clear and guiding principles in determining the remuneration for the Board of Directors and Senior Management in order to attract, retain and motivate talented and qualified individuals and to align their interests with the interest of the shareholders and the long-term business strategies of MBMR and its subsidiaries. The Board Remuneration Policy is reviewed on an annual basis and is made available on the Company's website at www.mbmr.com.my.

The Board's remuneration is governed through a clearly defined process wherein the NRC makes recommendations to the Board on an annual basis for deliberation. Thereafter, the Board shall upon deliberation make recommendations on the Directors' remuneration (including any benefits payable) as it deems appropriate to the shareholders for approval at the Annual General Meeting ("AGM").

For Executive Directors (where applicable) and Senior Management, the Board shall decide on the appropriate remuneration package which is structured in a manner that it is competitive with variable components that are linked to overall Company performance, as recommended by the NRC.

The remuneration packages for the Directors and Senior Management of the Company comprise the following elements:-

Non-Executive Directors	**Director's Fee** Fixed based fee which reflects the level of experience and responsibility
	Allowances and Benefits-in-Kind Meeting, Travel and Medical
	Short-Term and/or Long-Term Incentive Plans Not entitled to any short-term and/or long-term incentive plans
Executive Directors and Senior Management	**Monthly Base Salary** Reflective of the individual's skills experience, area and level of responsibility
	Statutory and Regulatory Contributions According to prevailing statutory rates while additional Employee Provident Fund contribution is based on years of service
	Allowances and Benefits-in-Kind As approved by the Board based on the individual's area of responsibility
	Short-Term and/or Long-Term Incentive Plans Linked to Key Performance Indicators and Company performance

To facilitate the NRC in proposing a fair and competitive remuneration for the Directors and Senior Management, a market and/or industry benchmark study against similar organisations in the industry, size and geographies which MBMR operates in will be conducted every three (3) years.

The details of the remuneration of Directors of the Company for the financial year ended 31 December 2022 are as follows:

All figures in RM'000	Company			Subsidiaries	Group
	Fees	Benefits	Board Committee Fees	Benefits	Total
Datuk (Dr) Aminar Rashid bin Salleh	105	46	25	-	176
Ng Seng Kong	70	37	4	106	217
Low Hin Choong	70	72	10	84	236
Dato' Anwar bin Haji @ Aji	70	57	35	-	162
Wong Fay Lee	70	78	25	68	241
Muhammad Lukman bin Musa @ Hussain (retired on 1 June 2022)	29	23	4	-	56

Whilst the Board advocates transparency to all stakeholders of the Company, it is of the view that a detailed remuneration disclosure of the Company's top senior management personnel is sensitive information and would not be in the best interest of the Group given the competitive human resource environment which may result in talent retention issues.

As an alternative to the prescribed MCCG practice, the Company discloses the aggregate remuneration (salary plus benefits) of its top five (5) Senior Management for the financial year ended 31 December 2022 amounting to RM2,564,352 in bands of RM50,000 as per the table below.

RM'000	150-200	250-300	451-500	651-700	950-1,000
Top 5 Senior Management	1	1	1	1	1

The following is a summary of the key activities undertaken by the NRC during the financial year ended 31 December 2022:

Nomination Function

- Reviewed the Board composition and recommended to the Board on the appointment of Non-Independent and Independent Non-Executive Directors.
- Evaluated the effectiveness of the Board, Board Committees and individual directors.
- Reviewed and assessed the independence of the Directors.
- Confirmed the Directors retiring by rotation at the 28th AGM.
- Reviewed the organisation structure of the Company and its subsidiaries and the succession planning of the Senior Management.
- Considered, reviewed and recommended to the Board, the Directors' Fit and Proper Policy which sets out the guiding criteria for candidates to be appointed to the Boards of MBMR and its subsidiaries as well as directors seeking re-election.
- Considered, reviewed and recommended to the Board, the Board Diversity Policy and the Board Skills and Diversity Matrix.
- Reviewed the Director's Training Programme for the financial year ended 31 December 2022.
- Reviewed the renewal of Executive Contracts of Senior Management of MBMR and its subsidiaries.

Remuneration Function

- Reviewed the Board Remuneration Policy.
- Reviewed and recommended to the Board the proposed director's fees, benefits and meeting attendance allowance for shareholder's approval at the 28th AGM.
- Evaluated the performance of the Senior Management personnel and made recommendations on the remuneration, benefits, bonus and increments for the year.
- Reviewed the Group's performance evaluation and compensation framework and made recommendations on various performance measure changes to the Board.

Other Functions

- Reviewed the Terms of Reference of the NRC.

EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee Independence and Effectiveness

The Board's AC is chaired by the SID, Dato' Anwar bin Haji @ Aji who is not the Chairman of the Board, and is complemented by another Independent Director and a Non-Independent Director. The majority participation of Independent Directors in the AC is crucial to ensure objectivity and independence of the AC.

The Non-Independent Directors on the AC, Encik Muhammad Lukman bin Musa @ Hussain (retired on 1 June 2022) and Mr. Ng Seng Kong (appointed on 10 August 2022) are members of the relevant institutions / associations of accountants in compliance with Paragraph 15.09(c) of the Listing Requirements of Bursa Securities. As of the date of this CG Overview Statement, the Board has further enhanced the composition of the AC with the appointment of Puan Nik Fazila binti Nik Mohamed Shihabuddin on 31 January 2023 who is a qualified Chartered Accountant from the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA), following the resignation of Datuk (Dr) Aminar Rashid bin Salleh on the same date.

The Board's AC consists of members with a mixture of requisite financial literacy, business experience and specialised knowledge to carry out their duties and responsibilities under the AC's Terms of Reference. The qualification and experience of each current AC member is detailed in the Board of Directors' Profile on pages 38 to 41 of this Annual Report.

For the financial year ended 31 December 2022, the Company does not have any former partner of the external audit firm of the Company that has been appointed to the AC. The Terms of Reference of the AC provides that any former partner of the Company's external audit firm or its affiliates, must have observed a cooling-off period of at least 3 years before one is eligible for appointment as AC member.

AC Roles and Responsibilities

The roles and responsibilities of the AC are detailed in the AC Terms of Reference, which is made available in the Company's website at www.mbmr.com.my. For this CG Overview Statement, a summary of the AC's main responsibilities is highlighted as follows:

(1) To ensure the integrity of the Company's financial reporting and the operation of the financial reporting process

The processes are aimed at ensuring all interim and year-end financial statements along with related notes are complete, in accordance with the applicable approved accounting standards and other legal and regulatory requirements and give a true and fair view of the Company's financial position. During its review of the year-end financial statements, the AC meets at least once with the external auditors in the absence of Management. However, in 2022, the AC and the external auditors agreed that the private session without the presence of the Management was not necessary as there were no concerns to be brought to the attention of the AC.

The AC members also participated in training and educational programmes as detailed in the Summary of Directors' Training for 2022 on pages 58 and 59 of this Annual Report in order to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

(2) To be the point of reference in relation to the appointment of the external auditors

The AC reviews the appointment, the terms of engagement and the performance of the external auditors prior to making recommendations to the Board on its appointment. The AC has a policy of assessing the suitability, objectivity and independence of its external auditor every year and is done by filling up an assessment form. The AC was satisfied with the results of the assessment carried out during the financial year on the suitability, objectivity and independence of the Company's external auditors.

The AC has also obtained written assurance from the external auditors confirming that they are in compliance with the independence requirements set out in the By-Laws (On Professional Ethics, Conduct and Practice) of Malaysian Institute of Accountants throughout the conduct of the audit engagement.

Further details on the AC's policies and procedures in relation to engagement with the external auditor is detailed in the AC's Terms of Reference, which is available on the Company's website at www.mbmr.com.my.

(3) To engage and monitor the performance of the internal audit function

The Group's Internal Audit function for the financial year 2022 was outsourced to a professional service firm, Tricor Axcelasia Sdn Bhd ("TASB"), who reported directly to the AC. Nevertheless, the Company also employs two executives in the Group Internal Audit Department on a co-source arrangement with TASB who reports functionally to the AC but administratively to the GCEO.

The AC is tasked with reviewing the terms of engagement and the performance and effectiveness of the activities of the internal audit function. The AC evaluates the effectiveness of the internal audit in relation to their responsibilities and reviews the internal audit plan for each year. TASB carried out the reviews based on the internal audit plan and scope approved by the AC.

Through independent reviews and assessment, TASB was able to provide objective assurances to the AC on the state of internal control systems within the Group's operations.

Further commentary of the internal audit function of the Company and other activities of the AC during the financial year ended 31 December 2022 is provided in the Statement on Risk Management and Internal Control on pages 60 to 65 and Report on Audit Committee on pages 66 to 70, and the CG Report which is available on the Company's website at www.mbmr.com.my.

Risk Management and Internal Control

The Board is responsible in overseeing the establishment and implementation of the risk management and internal control system for the Group. While the Board remains responsible for the risk management and internal control oversight as a whole, it has delegated to the Risk Management and Sustainability Committee ("RMSC"), the responsibility to review the Group's risk management and internal control system and to oversee the development, implementation and execution of the Group's risk management processes.

The Board has established the Enterprise Risk Management ("ERM") Policy and Framework to ensure that risks are effectively managed to achieve the Group's business objectives. The ERM Framework is aligned with ISO 31000:2018 Risk Management Guidelines which provides a comprehensive guidance and consistent approach in the implementation of risk management across the Group. The ERM Framework incorporates the processes of identifying, analysing, evaluating and treating risks to safeguard the Group from potential losses and to support the Group in achieving its business objectives.

The Group, through the Group Risk Management and Compliance Department, maintains detailed risk registers which are reviewed and updated on quarterly basis. The significant risks and the corresponding mitigation plans are reported, reviewed and deliberated at the RMSC meetings.

Further commentary on Risk Management and Internal Control is provided in the Statement on Risk Management and Internal Control on pages 60 to 65.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Continuous Dialogue between the Company and Shareholders/Investors

As part of the Board's responsibility in developing and implementing an investor relations programme, formal and informal dialogues were held between Senior Management and analysts/fund managers throughout the year. Permissible disclosures are made to explain the Group's performance and major development programmes.

The Company is in compliance with the disclosure requirements as set out in the Listing Requirements of Bursa Securities such as nature of information that can be released so as to avoid instances of disseminating unpublished price-sensitive information. The GCEO along with the Group Chief Financial Officer conduct briefings with the analysts and fund managers at least twice yearly.

Annual General Meetings

The AGM is the principal forum for dialogue with shareholders. The Company makes every effort to encourage maximum participation of shareholders at the AGM and Extraordinary General Meetings. Notice of the AGM is sent out to shareholders at least 28 days before the date of meeting in compliance with the MCCG, Companies Act 2016 and the Listing Requirements of Bursa Securities.

With the exception of emergencies or unforeseen circumstances, all Directors and Senior Management will attend all meetings with shareholders. Attendance is recorded by the Company Secretaries and recorded in the minutes of the meetings. Besides the ordinary agenda items for the AGM, the Board provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. All Directors and Senior Management are available to provide meaningful responses to questions from the shareholders during these meetings.

For re-election of Directors, the Board ensures that necessary information is disclosed through the notice of meeting regarding Directors who are standing for re-election. The notice of a general meeting to consider special business is accompanied by explanatory notes which contain the necessary information to enable the shareholders to make an informed decision. Such explanatory notes include the details and effects of any proposed resolution in respect of such business.

The Company's 28th AGM on 1 June 2022 was held virtually through live streaming from the broadcast venue using the online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia ("TIIH"), the Company's Share Registrar via TIIH Online website at https://tiih.online and shareholders participated (including posing questions to the Board via real time submission of typed texts) and voted remotely using the remote participation and voting ("RPV") facilities provided by the TIIH. This is in line with the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia which was effective 7 April 2022.

Shareholders who were unable to participate in the AGM are allowed to appoint proxy(ies) to participate, speak and vote on his/her behalf via the RPV facilities.

Integrated Reporting

MBMR is not a Large Company as defined by Bursa Securities. Nevertheless, the Company strives towards achieving the highest compliance standards as prescribed by the MCCG. Currently, the Company does not implement an integrated reporting system but is taking steps to educate its respective key executives on this system with a view to adopt it in the near future.

FUTURE PRIORITIES IN CORPORATE GOVERNANCE PRACTICES

The Board continues to actively develop, refine and implement various governance policies, processes and procedures within the Group and has identified key areas of enhancement under its Corporate Governance Implementation Plan to continuously strengthen and improve the standards of corporate governance within the Group in providing assurance and accountability to its stakeholders.

This CG Overview Statement was approved by the Board on 13 April 2023.

ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS, BOARD COMMITTEE MEETINGS AND GENERAL MEETING

	BODM	ACM	NRCM	RMSCM	LTIPCM	GTCM	AGM
Independent Non-Executive Directors							
Datuk (Dr) Aminar Rashid bin Salleh	7/7	5/5	4/4			1/1	1/1
Dato' Anwar bin Haji @ Aji	7/7	5/5	4/4	6/6	N/A		1/1
Non-Independent Non-Executive Directors							
Mr Low Hin Choong	7/7			6/6	N/A	1/1	1/1
Mr Ng Seng Kong[2]	7/7	2/2			N/A		1/1
Encik Muhammad Lukman bin Musa @ Hussain[1]	4/4	3/3				1/1	1/1
Ms Wong Fay Lee	7/7		4/4	6/6		1/1	1/1
Total Number of Meetings for 2022	**7**	**5**	**4**	**6**	**N/A**	**1**	**1**

Chairman
Member
Non Member

BODM : Board of Directors' Meeting
ACM : Audit Committee Meeting
NRCM : Nominating and Remuneration Committee Meeting
RMSCM : Risk Management and Sustainability Committee Meeting
LTIPCM : Long Term Incentive Plan Committee Meeting
GTCM : Group Transformation Committee Meeting
AGM : Annual General Meeting

Notes:

1 Encik Muhammad Lukman bin Musa @ Hussain retired as Non-Independent Non-Executive Director on 1 June 2022.

2 Mr Ng Seng Kong was appointed as Member to Audit Committee on 10 August 2022.

N/A There was no LTIPCM held in 2022.

Group Transformation Committee was dissolved on 27 January 2022.

SUMMARY OF DIRECTORS' TRAINING FOR 2022

Director's Name	Training Programme Title	Venue	Organiser/Speaker	Date of Training
Datuk (Dr) Aminar Rashid bin Salleh	Cyber-Security Awareness	Menara MBMR	Deloitte PLT	6 January 2022
	Benchmarking Your Board, Committees and Individual Directors	Menara MBMR	Dato' Richard Abas, Board Benchmarking PLT	14 January 2022
	FCD Series Module D: Financial Essentials For Non-Finance Directors	Virtual	Institute of Corporate Directors Malaysia (ICDM)	15 - 16 June 2022
	The EV Movement in Malaysia - The Government's Perspective	Virtual	Dato' Sri Norazman Ayob, Deputy Secretary General's Office (Industrial Development)	2 November 2022
	Knowledge Sharing Session on Value-Driven Sustainability Approach	Virtual	En. Ismail Hj. Abdullah, President & CEO of International Green Training Centre (IGTC)	2 November 2022
Dato Anwar bin Haji @ Aji	Cyber-Security Awareness	Menara MBMR	Deloitte PLT	6 January 2022
	Benchmarking Your Board, Committees and Individual Directors	Menara MBMR	Dato' Richard Abas, Board Benchmarking PLT	14 January 2022
	Advocacy Session for Directors and Senior Management of Main Market Listed Issuers	Virtual	Bursa Malaysia	9 August 2022
	The EV Movement in Malaysia - The Government's Perspective	Virtual	Dato' Sri Norazman Ayob, Deputy Secretary General's Office (Industrial Development)	2 November 2022
	Knowledge Sharing Session on Value-Driven Sustainability Approach	Virtual	En. Ismail Hj. Abdullah, President & CEO of International Green Training Centre (IGTC)	2 November 2022
	SC Audit Oversight Board Conversation with Audit Committees	Virtual	Securities Commission Malaysia (SC)	6 December 2022
Low Hin Choong	Cyber-Security Awareness	Menara MBMR	Deloitte PLT	6 January 2022
	Fuelling Business Growth through Data	Virtual	Malaysia Digital Economy Corporation (MDEC)	13 January 2022
	Benchmarking Your Board, Committees and Individual Directors	Menara MBMR	Dato' Richard Abas, Board Benchmarking PLT	14 January 2022
	The EV Movement in Malaysia - The Government's Perspective	Virtual	Dato' Sri Norazman Ayob, Deputy Secretary General's Office (Industrial Development)	2 November 2022
	Knowledge Sharing Session on Value-Driven Sustainability Approach	Virtual	En. Ismail Hj. Abdullah, President & CEO of International Green Training Centre (IGTC)	2 November 2022
Muhammad Lukman bin Musa @ Hussain (retired on 1 June 2022)	Cyber-Security Awareness	Menara MBMR	Deloitte PLT	6 January 2022
	Benchmarking Your Board, Committees and Individual Directors	Menara MBMR	Dato' Richard Abas, Board Benchmarking PLT	14 January 2022

Director's Name	Training Programme Title	Venue	Organiser/Speaker	Date of Training
Ng Seng Kong	Cyber-Security Awareness	Menara MBMR	Deloitte PLT	6 January 2022
	Benchmarking Your Board, Committees and Individual Directors	Menara MBMR	Dato' Richard Abas, Board Benchmarking PLT	14 January 2022
	Future of A Winning Team. Changing Mindset Using Martial Arts Principles and Business Methodologies	Club Med Cherating	Simon Ng, Dynamic Team Holdings	12 - 14 June 2022
	MFRS 16: Disclosures and Best Practices	Virtual	Ng Kean Kok, CAS Academy Sdn Bhd	23 June 2022
	MFRS 9: Financial Instruments - Basics (Part 1)	Virtual	Ng Kean Kok, CAS Academy Sdn Bhd	28 July 2022
	Values as a Source of Competitive Advantage	Khazanah Auditorium, ASB Academic	Asia School of Business	28 July 2022
	Advocacy Session for Directors and Senior Management of Main Market Listed Issuers	Virtual	Bursa Malaysia	9 August 2022
	Improving Your Emotional Intelligence In The Workplace	Virtual	A.C.C.A. MALAYSIA	15 September 2022
	MFRS 9: Financial Instruments - Part 2	Virtual	Ng Kean Kok, CAS Academy Sdn Bhd	23 September 2022
	Integrating ESG Into Business	Level 10, CIMA Office	Dr. Noel Tagore, AICPA and CIMA	17 October 2022
	The EV Movement in Malaysia - The Government's Perspective	Virtual	Dato' Sri Norazman Ayob, Deputy Secretary General's Office (Industrial Development)	2 November 2022
	Knowledge Sharing Session on Value-Driven Sustainability Approach	Virtual	En. Ismail Hj. Abdullah, President & CEO of International Green Training Centre (IGTC)	2 November 2022
	KPI Workshop	Bangunan UMS	SandMerit	6 - 7 December 2022
Wong Fay Lee	Benchmarking Your Board, Committees and Individual Directors	Menara MBMR	Dato' Richard Abas, Board Benchmarking PLT	14 January 2022
	Corporate Board Leadership Symposium 2022	Virtual	Malaysian Institute of Accountant (MIA)	30-31 May 2022
	International Directors Summit 2022 : The B Factor - [Bold + Brave] Boards	Virtual	Institute of Corporate Directors Malaysia (ICDM)	26 - 28 September 2022
	The EV Movement in Malaysia - The Government's Perspective	Virtual	Dato' Sri Norazman Ayob, Deputy Secretary General's Office (Industrial Development)	2 November 2022
	Knowledge Sharing Session on Value-Driven Sustainability Approach	Virtual	En. Ismail Hj. Abdullah, President & CEO of International Green Training Centre (IGTC)	2 November 2022

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Statement on Risk Management and Internal Control is made in accordance with Paragraph 15.26 (b) of Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. This is also in line with Practice Note 9 issued by Bursa Securities. This Statement outlines the scope and implementation of the risk management and internal control systems within the Group during the year under review.

BOARD'S RESPONSIBILITIES

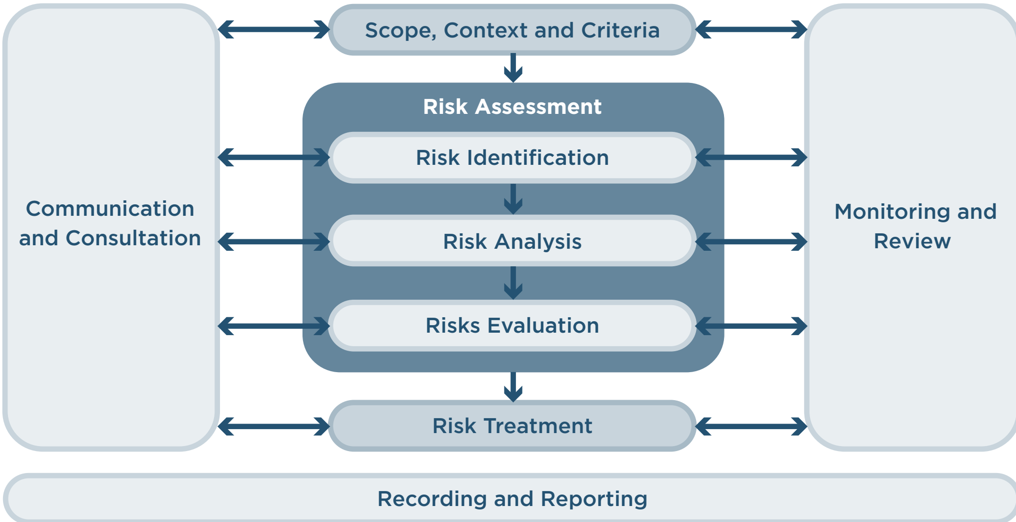
The Board is responsible in overseeing the establishment and implementation of the risk management and internal control system for the Group. While the Board remain responsible on the risk management and internal control oversight, it has delegated to the Risk Management and Sustainability Committee ("RMSC") the responsibility to oversee the development and implementation of the Group's risk management framework and internal control system. In addition, the RMSC is also responsible to review the Group's risk management framework, processes and responsibilities in assessing if they provide reasonable assurance that the Group's risks are being managed within the approved risk appetite and tolerance.

The Group Chief Executive Officer ("GCEO") and the MBMR Management support the RMSC in the integration of risk management practice to the day-to-day management of the Group's business operations. The GCEO and the MBMR Management are accountable to ensure that the risks are managed according to the risk appetite determined by the Board.

The Board recognises that these systems are designed to manage and mitigate, rather than eliminate the risk of failure to achieve the Group's business and corporate objectives. Given the limitations in any risk management and internal control systems, the Board is aware that these systems can only provide reasonable and not absolute assurance against the risk of material loss or occurrence of unforeseeable circumstances.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Enterprise Risk Management ("ERM") Policy and Framework has been established by the Board in accordance with ISO 31000:2018 Risk Management Guidelines which provides a comprehensive guidance and consistent approach in the implementation of risk management across the Group. The ERM Policy and Framework incorporates the process relating to the identification, analysis, evaluation, treatment, monitoring, review, recording, reporting, communication and consultation of the Group's risks and controls. The elements of the Group's risk management process are as follows:

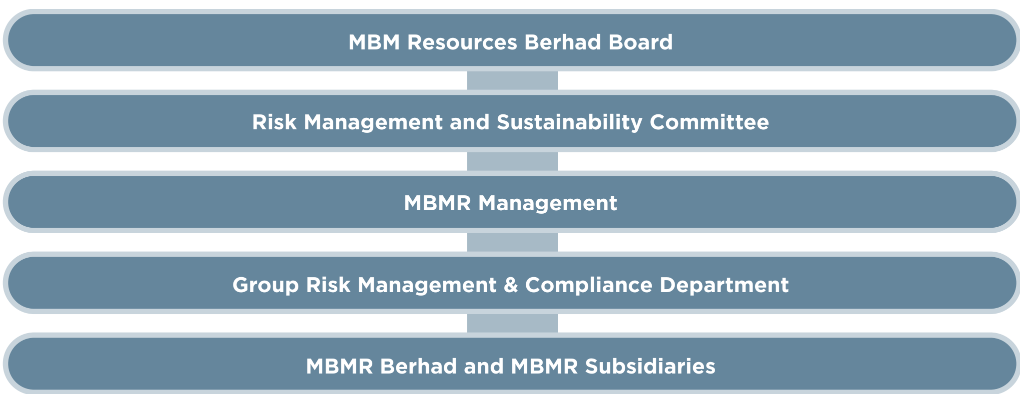


Based on the ERM Policy and Framework, the risk assessment process of identifying, analysing, evaluating and treating risks are established to safeguard the Group from potential losses and support the Group in achieving its business objectives. The ERM Policy and Framework also defines the measurement used in determining the risk rating based on the likelihood parameters of the risk occurring and the impact parameters if the risk occurs.

In order to instil a proactive risk management practice, the Group Risk Management and Compliance Department continuously communicate and engage with the subsidiaries and departments through risk review sessions. The objective of these exercises is to evaluate and validate the risk assessments, to highlight any potential or emerging risks and to review the status of action plans undertaken by the subsidiaries and departments.

RISK REPORTING STRUCTURE

The Group's risk reporting structure facilitates the risk escalation process as well as providing assurance to the Board. The overview of the Group's reporting structure is as below:



The subsidiaries will provide its respective risk reports which entails the risk assessments and mitigation plans to the Group Risk Management and Compliance Department every quarter. The Head of the Subsidiaries are required to identify and assess the risks of their respective company and to ensure that appropriate controls and mitigation plans are in place to manage the risks.

The Group Risk Management and Compliance Department would deliberate the risk reports with MBMR Management summarising the risk profile of each subsidiary and actions taken in addressing the significant risks. The risk reports are subsequently tabled to the RMSC for review and recommendations. The Board notes the report on the risks of the Group and actions taken to mitigate the risks.

SIGNIFICANT RISKS

The Group continuously assess the risks to the business during the year to ensure any potential threat and disruption to the business are being mitigated. The table below outlines the key risks and mitigations identified for the Group:

Categories	Key Risks	Key Mitigation Actions
Business and Strategic Risk	• Competition in the automotive industry • Changes in the market condition	• Implementation of marketing initiatives such as digital marketing, lead generation advertisements, roadshows and showroom events • Monitor the efficiency of marketing initiatives and follow up on the conversion of leads from marketing activities and from principal leads • Regular and close communication with customers and principals to enhance the sales volume and to seek for principal's support as and when required • Strengthening dealership network through recruitment of new dealers • Monitor the branch KPIs to maximize the contribution of every outlet • Explore the potential of expanding the business in new market segments and geographic locations to improve the revenue stream • Regular reviews of business plans and budgets to address deviations • Explore lower cost raw materials without compromising the quality
Operational Risk	• Potential equipment breakdown	• Implementation of Total Productive Maintenance • Continuously enhance the operation processes to increase efficiency • Availability of back-up machinery for critical equipment
	• Increase in raw materials price	• Continuously source for competitively priced raw materials
	• Supply Chain Disruption	• Maintain buffer stocks and continuously monitor minimum stock level • Monitor supplier performance and resolve any issues that may disrupt the supply chain

Information Technology ("IT") Risk	• Cyber Security risk from any potential breach to the Group's IT systems	• Continuously update and upgrade the firewall and antivirus system • Implementation of cyber security awareness programmes for employees • Implementation of Disaster Recovery Plan and Data Backup activities
Human Resource Risk	• Manpower shortage at manufacturing companies	• Recruitment of workers to meet the production's demand • Overtime planning to meet the production's demand

INTERNAL CONTROL SYSTEM

The key elements of internal control system that provides reasonable assurance against the occurrence of events that could prevent the achievement of the Group's business objectives are as follows:

Board of Directors
The Board, in discharging its duties, has established the Audit Committee ("AC"), the Nomination and Remuneration Committee ("NRC") and the RMSC. The Board Committees operate within the defined terms of reference approved by the Board. These terms of reference are reviewed to ensure that they are relevant and effective. The Board and Board Committees meet on a scheduled basis and additional meetings may be called by the Chairman of the Committees as and when required.

Policies and Procedures
The Group's internal control policies and procedures are documented to ensure compliance with the business requirements and the relevant regulations. The Group's policies and procedures are reviewed and updated on a continuous basis to ensure that any gaps in controls are addressed.

Internal Audit Function
The independent Internal Audit function reports directly to the AC and carries out the internal audit reviews based on their internal audit plans approved by the AC. The results of the audits are presented to the AC at their quarterly meetings. Follow up reviews are carried out to assess the status of implementation of management action plans, which are based on internal audit recommendations. The results of these follow up reviews are also highlighted to the AC at their quarterly meetings.

For the financial year 2022, the Group's Internal Audit function was outsourced to Tricor Axcelasia Sdn Bhd ("TASB"), an independent professional service firm, who reports directly to the AC. Through independent reviews and assessment, TASB provided an objective assurances to the AC on the state and effectiveness of internal control systems within the Group's operations.

Summary of the works carried out by the Internal Audit function during the financial year under review are set out on pages 66 to 70 of the Annual Report.

Limits of Authorities
The Group has established Limits of Authority ("LOA") which defines the appropriate approving authority limits to govern its business decision process. The LOA sets out a clear line of accountability and responsibility which serves as a reference in identifying the approving authority for various transactions including matters that require Board's approval.

Business Plan and Budget

There is a comprehensive budgeting and forecasting system in place that is governed by the policies and guidelines of the Group. The financial results of the companies of the Group are reported monthly in the management reports where variances are analysed against respective budgets and acted on in a timely manner. Where necessary, budgets are revised at mid-year, taking into account any changes in business and economic conditions.

Joint Ventures and Associates

The Group's interests in joint ventures and associates are safeguarded through having Board representations in the respective joint ventures and associated companies. Such representation also provides the Board with information for timely decision-making on the continuity of the Group's investments based on the performance of the associated companies and joint ventures.

Whistleblowing

The Board has established and approved the Group's Whistleblowing Policy aimed at providing an avenue for all employees and members of the public to disclose any improper conduct or criminal offence committed or about to be committed within the Group including, inter alia, suspected and/or known fraud, corruption, and other unlawful acts. The Whistleblowing Policy sets out the processes, procedures and appropriate channels which facilitate whistleblowing and provides the assurance of protection to the whistle blower.

Anti-Bribery and Anti-Corruption

The Board has approved and adopted the Group's Anti-Bribery and Anti-Corruption Policy ("ABC Policy") that sets out the Group's position on avoiding all forms of bribery and corruption practices in the Group's daily operations. The ABC Policy is developed based on the "T.R.U.S.T" Principles under the Guidelines on Adequate Procedures issued pursuant to Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009.

Code of Business Conduct and Ethics

The Board has approved and adopted the Group's Code of Business Conduct and Ethics Policy that provides guidance on the standards of behaviour expected of directors and employees of the Group and where applicable, third parties, which include, but not limited to counterparties and business partners.

MONITORING AND REVIEW OF THE ADEQUACY AND EFFECTIVENESS OF THE RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEMS

The effectiveness of the Group's risk management framework and internal control systems are monitored through the following:

a) The Group Risk Management and Compliance Department presents the risk report to the RMSC every quarter to provide an overview of the Group's significant risks and their respective mitigation plans for RMSC's review and recommendations prior to it being updated to the Board;

b) Review of the Group's compliance and incident reporting to monitor the Group's legal and regulatory compliance status;

c) Review of the Group's actual financial and operational performance against the planned budget and other key financial and operational performance indicators;

d) Internal Audit conducts independent audits on the Group's risk management and internal control systems. It also submits quarterly reports on internal control reviews to the AC.

CONCLUSION

The Board is of the view that the current risk management and internal control systems in place throughout the Group is sufficient to safeguard the Group's interests. There was no major internal control weakness that require disclosure in this statement. The disclosures in this statement do not include the risk management practices and internal control systems in the Group's associates.

In making this statement, the Board had received assurance from the GCEO and Chief Financial Officer that the risk management and internal control processes are operating adequately and effectively, in all material aspects for the reporting period.

The effectiveness of the Group's risk management and internal control systems will continue to be reviewed and updated by the Board through the RMSC in line with the changes in the operating environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control, in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require them to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk. In accordance with the external auditors' report issued to the Board, nothing has come to their attention that resulted in them believing that this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the internal control and risk management systems of the Group.

This Statement on Risk Management and Internal Control is approved by the Board of Directors on 13 April 2023.

REPORT ON AUDIT COMMITTEE

MEMBERSHIP OF THE AUDIT COMMITTEE ("AC") AND ATTENDANCE

For the financial year ended 31 December 2022, the AC consists of three members who are all Non-Executive Directors with a majority of them being Independent Directors as follows:-

Chairman
Dato' Anwar bin Haji @ Aji
(Senior Independent Non-Executive Director)

Members
Datuk (Dr) Aminar Rashid bin Salleh
(Independent Non-Executive Director)
Mr. Ng Seng Kong (Appointed on 10 August 2022)
(Non-Independent Non-Executive Director)
Encik Muhammad Lukman bin Musa @ Hussain (retired on 1 June 2022)
(Non-Independent Non-Executive Director)

The AC meets the requirements of Paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

All the Audit Committee members are financially literate. Encik Muhammad Lukman bin Musa @ Hussain (retired on 1 June 2022) was a member of the Malaysian Institute of Accountants, and Mr. Ng Seng Kong (appointed on 10 August 2022) was a fellow member of the Association of Chartered Certified Accountants and the Chartered Institute of Management Accountants. Accordingly, the Company complies with Paragraph 15.09(1)(c) of the Listing Requirements.

Subsequent to the financial year end 2022, there were changes to the composition of the AC whereby Datuk (Dr) Aminar Rashid bin Salleh resigned as Director on 31 January 2023 and accordingly ceased to be a member of the AC. The Company had on the same day, appointed Puan Nik Fazila Binti Nik Mohamed Shihabuddin as the Independent Non-Executive Director of the Company and a member of AC with effect thereon.

The performance of the AC was assessed during the year as part of the Board Effectiveness Assessment wherein the outcome demonstrates that the AC members possess sufficient, recent and relevant expertise to discharge their duties effectively.

The AC met five (5) times during the financial year 2022, i.e. on 22 February, 13 April, 19 May, 18 August, and 17 November 2022 and recorded full attendance by all members in office.

Committee Members	Number of AC meetings held during members' tenure in office	Number of meetings attended by members
Dato' Anwar bin Haji @ Aji	5	5
Datuk (Dr) Aminar Rashid bin Salleh (Resigned on 31 January 2023)	5	5
Mr. Ng Seng Kong (Appointed on 10 August 2022)	2	2
Muhammad Lukman bin Musa @ Hussain (Retired on 1 June 2022)	3	3

Senior Management and the internal auditors were invited to the meetings to brief the AC on the activities involving their areas of responsibilities. At appropriate instances, the external auditors and other members of Management were also invited to attend the AC meetings.

TERMS OF REFERENCE

The full content of the Terms of Reference is available on the Company's website at www.mbmr.com.my.

SUMMARY OF ACTIVITIES DURING THE YEAR

In 2022, the AC discharged its duties and responsibilities in accordance to its Terms of Reference.

The Committee undertook the following activities during the financial year 2022:

1. Financial Reporting

- Reviewed the financial statements and the quarterly announcements to Bursa Securities with emphasis on significant changes to accounting policies and practices, compliance with accounting standards and other legal requirements, significant judgement made by the Management, significant or unusual events or transactions, material adjustments arising from audits, before presentation of these financial statements and announcements to the Board of Directors for their approval, and subsequent release of the quarterly announcements and annual financial reports to Bursa Securities.

- Updated the Directors on any new Malaysian Financial Reporting Standards that may be adopted into the quarterly and annual financial reports of the Group.

2. Internal Control and Reviews of Statements contained in the Annual Report

- Provided oversight of the Company's programme to review and benchmark the Group's business processes and improve the Group's Standard Operating Procedures.

- Reviewed the Group's Statement on Risk Management and Internal Control and Report of the AC for inclusion in the Company's Annual Report.

- Reviewed the reports of Management and the reports and recommendations of the internal and external auditors on areas of concern relating to the internal control systems of the Group and made the appropriate recommendations to the Board of Directors.

3. Internal Audit

- Reviewed and approved the Group Internal Audit Plan ("IA Plan") covering the activities and processes of the subsidiaries.

- Reviewed and approved the key updates to the Internal Audit Charter.

- Discussed with internal auditors on their scope of work, adequacy of resources, management and employee cooperation and co-ordination with external auditors.

- Reviewed the internal audit reports prepared by the internal auditors on the audit findings and state of internal control systems and any matters arising therefrom to ensure that appropriate actions in line with the audit recommendations have or will be taken to address any risks and weaknesses identified.

- Received updates from the internal auditors on the follow-up audits and ensured all audit findings and remedial actions recommended in the internal audit reports have been properly addressed. The AC emphasised on the immediate resolution of any critical internal control lapses that could result in the loss of the Group's assets.

- Reviewed the performance of the internal auditors against the approved Group IA Plan; assessed the internal audit function's resources and the best options to ensure continued efficiency in the operation of the Group's internal audit function moving forward.

- Assessed the independence and suitability of the outsourced internal auditors and evaluate the fee and scope of work before deciding on the appointment of the outsourced internal auditor for the financial year ending 2022.

4. Related Party Transactions

- Reviewed related party transactions entered into by the Group and its subsidiaries to ensure that they were transacted in accordance with best practices and in compliance with the Listing Requirements of Bursa Securities and relevant accounting and financial reporting standards.

- Reviewed and approved the Circular to Shareholders seeking approval of the Group's recurrent related party transactions and reviewed reports on the recurrent related party transactions entered into by the Group with related parties within and outside of the shareholders' mandate.

5. External Auditors

- Reviewed with the external auditors the Group's Statement on Risk Management and Internal Control before recommending the same for inclusion in the Company's Annual Report.

- Reviewed and discussed with external auditors on their audit plan and scope of work for the year as well as the audit procedures to be carried out.

- Reviewed the financial statements together with external auditors' management letter and management's responses, before recommending approval of the financial statements and reporting the external audit findings to the Board of Directors.

- Reviewed the external audit findings and recommendations, focusing on the steps taken and assurances given by employees of the Group and to ensure that all appropriate steps have been taken.

- Reviewed the updates from the external auditors on the follow-up audits relating to the general Information technology controls observations of a subsidiary, including the identified risks and recommendations to ensure all appropriate actions have been taken.

- Reviewed the suitability, independence, objectivity and the performance of the external auditors.

- Received the briefing by the external auditor on their Transparency report for 2022.

- Obtained the written assurance from the external auditors that they are in compliance with the independence requirements set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants throughout the conduct of the audit engagement.

- During the year, the AC and the external auditors agreed that the private session without the presence of the Management was not necessary as there were no concerns to be brought to the attention of the AC.

6. Others

- Reviewed the Terms of Reference of the AC.

- Reviewed the Terms of Reference of the Management Audit Committee.

- The AC regularly engaged with Senior Management and the internal auditors in order to be kept informed of matters with regards to the Group and the Company's affairs in a timely manner.

INTERNAL AUDIT FUNCTION

For the financial year 2022, the Group's Internal Audit function was outsourced to an independent professional service firm, Tricor Axcelasia Sdn Bhd ("TASB"), who reported directly to the AC. Nevertheless, the Company employs two executives in its Group Internal Audit Department on a co-source arrangement with TASB who reports functionally to the AC but administratively to the CEO.

The TASB's Engagement Partner in charge of the Group's internal audit for the financial year 2022, Ms. Josephine Lim has over 20 years of professional experience in internal auditing, risk management, business process improvements, etc. She is a Certified Internal Auditor. The Engagement team was led by an Associate Director with a team of professional staff that was assigned on need basis according to the scope of work required for a particular audit cycle.

The primary role of the Group's Internal Audit function is to provide findings to the AC on risk management, internal control and governance, by assessing and evaluating the adequacy and effectiveness of the internal control systems implemented. The scope of work of the Group's internal auditors is determined and approved annually by the AC who takes into consideration the feedback from the key management personnel within the Group on their respective areas of concern.

The Group's Internal Audit function as guided by the International Professional Practices Framework ("IPPF"), provided objective assurances to the AC on the state and effectiveness of internal control systems within the Group's operations together with corresponding improvement recommendations. The risk management, internal control and governance processes comprise of the policies and procedures established to ensure:

- the achievement of business objectives;
- the appropriate assessment of risk and mitigation factors;
- the reliability of internal and external reporting, and accountability processes;
- compliance with the policies and procedures set by the Company; and
- compliance with applicable guidelines, laws and regulation.

The cost incurred for the internal audit function in the financial year 2022 was RM318,390.

Subsequent to the financial year ended 31 December 2022, the AC deliberated and resolved to continue with the current internal audit outsourcing arrangement and recommended the engagement of BDO Governance Advisory Sdn Bhd ("BDO") to carry out the internal audit reviews for financial year 2023.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDITORS DURING 2022

During the financial year ended 31 December 2022, the Group's internal auditors' activities were as follows: -

- Presented the risk-based IA Plan and internal audit fees to the AC.
- Conducted 6 audit assignments based on the approved IA Plan including the internal audit reviews of the IT assets and IT vendor acquisition management for the Company; vehicle sales and marketing, aftersales inventory and service management, and periodic review and reporting processes in selected entities or outlets of the Motor Trading Division; tender and procurement processes, as well as quality and maintenance management in selected entities in the Auto Parts Manufacturing Division. Further, internal audit was conducted on the monitoring and enforcement aspects of the anti-bribery and anti-corruption ("ABAC") procedures for all the 5 entities audited during the year. The results of the audit findings have been highlighted and discussed with relevant key management personnel within the Group and the AC for appropriate action plans and process improvements.
- Conducted follow-up reviews to determine the status of implementation of agreed management action plans.
- Reviewed and provided further recommendations on the Group's policies and procedures to ensure adequate controls are in place.
- Participated in stocktakes as observer.

OTHER INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. EMPLOYEE SHARE SCHEME

The Company had on 26 September 2016 implemented a Long-Term Incentive Plan ("LTIP") for eligible employees and Executive Directors of the Group. The LTIP was approved by shareholders at the Company's EGM held on 19 November 2014 and is comprised of two types of share plans, namely the Restricted Share Plan ("RSP") and Performance Share Plan ("PSP"). The total number of shares which may be granted under the LTIP shall not exceed in aggregate 10% of the issued share capital of the Company. Since the commencement of the LTIP, 0.3% of the issued ordinary share capital of the Company had been granted to eligible employees and Executive Directors of the Group.

During the financial year, there were no outstanding grants in existence, nor any outstanding aggregate number of shares granted to the key management personnel.

Further, no shares were granted to the Executive and Non-Executive Directors, and Chief Executive Officer pursuant to the LTIP in respect of the financial year ended 31 December 2022.

2. UTILISATION OF PROCEEDS

There were no proceeds raised nor any outstanding proceeds unutilised by the Company.

3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the external auditors of the Company and its Subsidiaries are as follows:

Fees paid/payable	Group (RM'000)	Company (RM'000)
Audit	604*	106
Non-Audit	179	25

* *Included both continuing operations and discountinued operation.*

4. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interest of the Directors, Chief Executives who is not a director or Major Shareholders, either subsisting at the end of the financial year ended 31 December 2022 or entered into since the end of previous financial year.

5. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE ("RRPT")

The Company had at the 28th Annual General Meeting of the Company held on 1 June 2022 obtained shareholders' mandate for the Group to enter into RRPT, which are necessary for its day-to-day operations and are in the ordinary course of business with related parties. The shareholders' mandate shall lapse at the conclusion of the Company's forthcoming AGM. The Company intends to seek shareholders' mandate in respect of the RRPT of the group at the forthcoming AGM of the Company.

The breakdown of the aggregate value of the mandated RRPT transacted during the financial year 2022 are as follows:-

Transacting Subsidiary	Transacting Related Parties	Interested Major Shareholders of Subsidiary and Person Connected to Them	Nature & Description of Transaction	Actual Value Transacted During the Financial Year (RM)
DMSB	HMSM	Hino Motor Ltd ("HML"), whose interest can be illustrated as follows: ➢ MBMR, which holds 51.5% of the shares in DMSB, has a 20% shareholding in HMSM. ➢ Toyota Motor Corporation ("TMC") has a 50.3% shareholding in HML, which holds 80% of the shares in HMSM. ➢ TMC also holds 100% shareholdings in DMC which in turn has 18.5% shareholding in DMSB. None of the representatives of HML, TMC and HMSM sits in the Board of DMSB.	Purchase of vehicle stocks and spare parts from HMSM	36,605,000
DMMS	Perodua Sales Sdn Bhd ("PSSB")	DMC and Mitsui & Co., Ltd. ("Mitsui") has interest in PSSB as follows: ➢ PSSB is a wholly owned subsidiary of Perodua Otomobil Kedua Sdn Bhd ("POSB") in which MBMR, DMSB and major shareholders of DMSB, namely Mitsui and DMC, hold shares in POSB as follows:- - MBMR – 20% - DMSB – 5% - Mitsui – 7% - DMC – 20% The Interested Directors are as follows: a. Masanori Takahashi (representative of DMC) b. Yasutoshi Sugimoto (representative of DMC) c. Isako Yamamoto (representative of Mitsui) d. Katsumi Ohori (representative of Mitsui)	Purchase of vehicle stocks and spare parts from PSSB	1,188,717,000
DMSB	Daihatsu Motor Co., Ltd ("DMC")	DMC is a Major Shareholder of DMSB, holding 18.5% shareholding in DMSB. The Interested Directors, who are the representatives of DMC are as follows: a. Masanori Takahashi b. Yasutoshi Sugimoto	Purchase of spare parts from DMC	2,033,000

DIRECTORS' RESPONSIBILITY STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared as required by the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year, and of the results and cash flows of the Group and of the Company for that year then ended.

The Directors consider that in preparing the financial statements:

- the Group and the Company have used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgements and estimates were made; and
- all applicable approved accounting standards in Malaysia have been adhered to.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and that the financial statements comply with the requirements of the Companies Act 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

LIST OF PROPERTIES

Location	Land Area (Built-up Area) Sq Metre	Description of Property and Existing Use	Approx. Age of Building	Tenure	Date of Acquisition	Book Value as at 31.12.2022 (RM'000)
Proprietor: Daihatsu (Malaysia) Sdn Bhd						
Lot 1, Jalan Keluli, Section 15 40000 Shah Alam Selangor Darul Ehsan	11,325 (4,860)	Industrial land with building used as showroom, workshop and office	34	Leasehold (expiring on 12-Jan-2086)	18-Jul-1988	5,115
Lot 1A, Jalan Keluli, Section 15 40000 Shah Alam Selangor Darul Ehsan	442	Commercial land with building used as showroom	30	Leasehold (expiring on 12-Jan-2086)	29-Aug-1992	297
Lot 2A, Jalan Keluli, Section 15 40000 Shah Alam Selangor Darul Ehsan	14,302 (4,608)	Industrial land with building used as workshop and store	32	Leasehold (expiring on 26-Jan-2087)	8-Nov-1990	3,682
Lot 2B, Jalan Keluli, Section 15 40000 Shah Alam Selangor Darul Ehsan	9,822	Industrial land with building used as workshop	31	Leasehold (expiring on 26-Jan-2087)	24-Sep-1991	6,155
Lot 1, Lorong 51A/227C 46100 Petaling Jaya Selangor Darul Ehsan	1,677 (674)	Industrial land building used as workshop	30	Leasehold (expiring on 13-Mar-2074)	3-May-1993	1,154
Lot 68-G, 68-1, Lot 69-G, 69-1 Selayang Baru Selangor Darul Ehsan	(944)	2 units of Ground & 1st Floor of shop office building	29	Leasehold (expiring in year 2092)	28-Jul-1993	867
Lot 27, 28 and 29 Selayang Baru Selangor Darul Ehsan	(1,131)	3 units of 1 1/2-storey terrace factory used as workshop	29	Leasehold (expiring in year 2092)	28-Jul-1993	886
Lot 6165A Bukit Beruntung Industrial Park Selangor Darul Ehsan	5,681	Industrial land with building	27	Freehold	10-Jul-1995	1,534
Lot 48 & 57, Bukit Beruntung Industrial Park Selangor Darul Ehsan	19,536	Industrial land	27	Freehold	10-Oct-1995	3,397
Lot 2, Jalan Gergaji 15/14 Section 15 40000 Shah Alam Selangor Darul Ehsan	12,070	Industrial land with building	27	Leasehold (expiring in year 2094)	10-Oct-1995	3,419
47, Jalan Tun Abdul Razak 30100 Ipoh Perak Darul Ridzuan	3,728 (617)	Land with double-storey building used as showroom and workshop	33	Freehold	20-Sep-1989	1,635
32, Jalan Tun Abdul Razak 80200 Johor Bahru Johor Darul Takzim	4,806 (939)	Land with building used as showroom and workshop	32	Leasehold (expiring on 21-Dec-2030)	19-Aug-1990	644

Location	Land Area (Built-up Area) Sq Metre	Description of Property and Existing Use	Approx. Age of Building	Tenure	Date of Acquisition	Book Value as at 31.12.2022 (RM'000)
111 Jalan Laksamana Cheng Ho 75000 Melaka	5,263 (814)	Land with double-storey building used as showroom and workshop	32	Freehold	10-Dec-1990	1,563
20, Jalan 54 Desa Jaya, Kepong 52100 Kuala Lumpur	271 (1,080)	4-storey shop lot used as showroom and workshop	31	Leasehold (expiring on 8-Mar-2081)	11-Sep-1991	517
1, Jalan Memanda 7/1 Ampang Triangle Off Jalan Ampang 68000 Kuala Lumpur	304 (1,331)	Corner 4 1/2-storey shop lot used as showroom	31	Freehold	12-Sep-1991	826
3/G10 Ground & First Floor Api-Api Centre 88000 Kota Kinabalu, Sabah	250	Showroom	30	Leasehold (expiring on 6-Feb-2094)	16-Mar-1992	508
5/G8 Ground & First Floor Api-Api Centre 88000 Kota Kinabalu, Sabah	250	Showroom	27	Leasehold (expiring on 6-Feb-2094)	8-Feb-1995	642
B-317, Blue Lagoon Port Dickson Negeri Sembilan Darul Khusus	(78)	2-bedroom condominium used for leisure and recreation	33	Freehold	19-Feb-1990	65
Apartment 401 Block 2, Jalan SS18/47 40000 Shah Alam Selangor Darul Ehsan	(65)	3-bedroom apartment used as accommodation for employees when attending training	32	Leasehold (expiring on 29-Jul-2096)	21-Sep-1990	27
Lot 2702, Palm Spring Port Dickson Negeri Sembilan Darul Khusus	834	Bungalow lot	28	Freehold	29-Jun-1995	188
Units 3, 4, 7, 8 Level 4 Units 4, 7, 8 Level 5 Block K Bandar Bukit Beruntung Apartments Selangor Darul Ehsan	(573)	7 units apartments	27	Freehold	2-Nov-1995	103
Section 93, Sg. Besi Bandar Kuala Lumpur	502	Commercial land with building used as showroom	28	Leasehold (expiring on 12-Jan-2067)	17-Apr-1995	6,593
Block SA-01 The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	(3,063)	11-storey office, commercial building	25	Leasehold (expiring in year 2098)	21-Jul-1997	9,284

Location	Land Area (Built-up Area) Sq Metre	Description of Property and Existing Use	Approx. Age of Building	Tenure	Date of Acquisition	Book Value as at 31.12.2022 (RM'000)
2, Jalan 19/36 45300 Petaling Jaya Selangor Darul Ehsan	372	Land with 4-storey corner shophouse	25	Freehold	14-Aug-1997	1,541
1, Jalan 7/3 Kawasan Perindustrian Sri Kembangan 43300 Sri Kembangan	2,530	Industrial land with 2 1/2 semi detached factory	20	Leasehold (expiring on 7-Apr-2088)	17-Jan-2003	1,889
120, Lot 65, Section 22 Jalan Tun Abang Haji Openg 93000 Kuching	3,173	Industrial land with building used as showroom and workshop	19	Leasehold (expiring on 31-Dec-2090)	18-Jul-2003	2,022
5 1/2 Miles, Jalan Tuaran PO Box 22432 Kota Kinabalu, Sabah	10,360	Industrial land with building used as showroom, workshop and office	19	Leasehold	26-May-2004	12,697
57, Jalan BRP 1/4 Bukit Rahman Putra 47000 Sg. Buloh Selangor Darul Ehsan	353	Conner 3 1/2-storey shop lot used as showroom	18	Freehold	23-Nov-2004	1,252
29, Jalan SR 1/9 Taman Serdang Raya 43300 Seri Kembangan	181	3 1/2-storey shop lot	16	Leasehold (expiring in 16-Jun-2095)	2-Apr-2007	843
Lot 12, Jalan Dua Off Jalan Chan Sow Lin 55200 Kuala Lumpur	5,364	Detached open sided factory	14	Leasehold (expiring in 27-Apr-2068)	2-Jun-2008	14,695
First Floor, Menara MBMR 1 Jalan Syed Putra 58000 Kuala Lumpur	(741)	Showroom	8	Freehold	13-Jul-2018	6,755
Proprietor: DMM Sales Sdn Bhd						
1262, Jalan Baru 13700 Perai, Pulau Pinang	1,001	Industrial land with building	23	Freehold	28-Aug-1999	954
1 & 3, Jalan Damai Utama Taman Industri Damaiplus 83000 Batu Pahat, Johor	631	Industrial land with building	22	Freehold	22-Apr-2000	879
Lot No. D070 Bandar Seremban Utama Seremban Negeri Sembilan Darul Khusus	1,740	Industrial Land	10	Freehold	19-Jul-2012	968
Proprietor: Federal Auto Holdings Berhad						
1103TS 910 NED Penang 89-A Sungei Pinang Road Penang	1,874	Industrial land with building used as showroom, workshop and office	40	Freehold	6-Sep-1983	2,606

Location	Land Area (Built-up Area) Sq Metre	Description of Property and Existing Use	Approx. Age of Building	Tenure	Date of Acquisition	Book Value as at 31.12.2022 (RM'000)
Lot 4297 Mukim of Kuala Kinta District of Kinta 127, Jalan Kuala Kangsar 30010 Ipoh, Perak	8,465	Industrial land with building used as showroom, workshop and office	40	Freehold	4-Aug-1983	3,531
Lot No. 420 Mukim of Tebrau District of Johor Bahru, Johor	10,652	Industrial land with building used as showroom, workshop and office	38	Freehold	20-Jul-1984	10,569
Lot 43, Jalan Pelukis U1/46 Section U1 40150 Shah Alam Selangor Darul Ehsan	7,657	Industrial land with building used as showroom, workshop and office	16	Freehold	1-Oct-2007	28,516
Ground Floor Menara MBMR 1 Jalan Syed Putra 58000 Kuala Lumpur	(591)	Showroom	8	Freehold	1-Oct-2015	5,675
19-02, 19-3A Menara MBMR 1 Jalan Syed Putra 58000 Kuala Lumpur	(500)	2 units commercial office lots	8	Freehold	1-Oct-2015	3,876
Proprietor: F.A. Serve Sdn Bhd						
Lot No. PT 13270 Mukim of Batu, District of Kuala Lumpur	2,608	Petrol station	21	Freehold	31-Oct-2003	1,938
Proprietor: KMA Marketing Sdn Bhd						
Units Nos. 2-1-14B and 2-1-15 Level 1, Ground Floor Wawasan Plaza Kota Kinabalu, Sabah	333	Level One (Ground Floor) shop units for rent	24	Leasehold (expiring on 31-Dec-2086)	2-Feb-1999	1,766
Proprietor: Hirotako Acoustics Sdn Bhd						
No.18 Persiaran Sabak Bernam Section 26, 40400 Shah Alam Selangor Darul Ehsan	24,212	Industrial land with building used as manufacturing plant and office	17	Freehold	5-Dec-2005	17,182
Lot 308 & 316 Block 26 Lot 604 Block 30, and Lot 308 & Lot 313 Block 39 Jalan Selayang Satu 27/27A Taman Bunga Negara Section 27, 40400 Shah Alam Selangor Darul Ehsan	(344)	5 units of apartment	26	Freehold	1-Feb-2009 & 31-May-2011	340

Location	Land Area (Built-up Area) Sq Metre	Description of Property and Existing Use	Approx. Age of Building	Tenure	Date of Acquisition	Book Value as at 31.12.2022 (RM'000)
Proprietor: Oriental Metal Industries (M) Sdn Bhd						
Lot 51 Jalan Utas 15/7 Section 15, 40200 Shah Alam Selangor Darul Ehsan	26,756	Industrial land with building used as manufacturing plant and office	38	Leasehold (expiring on 4-May-2074)	30-Jan-2003	13,745
PT 18114, Jalan Platinum 2 Seksyen 20, Mukim Serendah 48200 Serendah Selangor Darul Ehsan	20,236	Industrial land	-	Leasehold (expiring on 7-Jul-2109)	1-May-2022	8,645
Proprietor: MBMR Properties Sdn Bhd						
3-02, 3A-01, 9-02, 10-3A 16-01, 16-02, 16-03, 16-3A, 17-02, 17-03, 17-3A, 20-01, 20-02, 20-03, 20-3A, 21-01, 21-02, 21-03, 21-3A, 22-01, 22-03, 23-01, 23A-01 Menara MBMR 1 Jalan Syed Putra 58000 Kuala Lumpur	(5,480)	23 units commercial office lots	8	Freehold	11-Nov-2010, 28-Feb-2015 & 24-Sep-2018	48,875
LG1,LG2,LG3 & LG5, Carpark 1&2 B-G-1, B-G-2, B1-1, B-1-2 The Signature, Jalan 22/70A Desa Sri Hartamas 50480 Kuala Lumpur	(3,791)	8 units commercial lots	8	Freehold	16-Feb-2012	23,072
PT 6389 to PT6392 Bandar Sri Sendayan District of Seremban Negeri Sembilan Darul Khusus	82,005	Vacant land	-	Freehold	31-Mar-2013	20,128
Plot 19, 20 & 21 Desa Lang Indah Jalan Lang Indah 30010 Ipoh, Perak	12,685	Vacant land	-	Freehold	16-May-2013	7,040

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

Total Number of Issued Shares	:	390,887,653
Class of Shares	:	Ordinary Shares
Number of Shareholders	:	6,697
Voting Rights	:	One (1) vote per ordinary share

SIZE OF SHAREHOLDINGS

As at 31 March 2023

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	616	9.20	11,123	0.01
100 - 1,000	1,620	24.19	1,077,035	0.27
1,001 - 10,000	3,472	51.84	13,423,843	3.43
10,001 - 100,000	819	12.23	25,222,378	6.45
100,001 - 19,544,381 (*)	166	2.48	148,994,707	38.12
19,544,382 and above (**)	4	0.06	202,158,567	51.72
TOTAL	**6,697**	**100.00**	**390,887,653**	**100.00**

Remark: * - Less than 5% of issued shares
**- 5% and above of issued shares

SUBSTANTIAL SHAREHOLDINGS

As at 31 March 2023

Name of Shareholders	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
1. Med-Bumikar Mara Sdn. Bhd.	193,504,349	49.50	2,213,402 [1]	0.57
2. Employees Provident Fund Board	31,491,737	8.06	-	-

Note: [1] Deemed interest by virtue of its shareholding in Central Shore Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS

As at 31 March 2023

Name of Directors	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%	Total No. of Shares Held	%
1. Encik Aqil bin Ahmad Azizuddin	764,187	0.20	277,331 [1]	0.07	1,041,518	0.27
2. Dato' Anwar bin Haji @ Aji	-	-	-	-	-	-
3. Mr Low Hin Choong	32,000	0.01	1,200,056 [2]	0.31	1,232,056	0.32
4. Mr Ng Seng Kong	160,000	0.04	-	-	160,000	0.04
5. Ms Wong Fay Lee	33,100	0.01	-	-	33,100	0.01
6. Dato' Zulfikri bin Osman	-	-	-	-	-	-
7. Puan Nik Fazila binti Nik Mohamed Shihabuddin	-	-	-	-	-	-

[1] Deemed interest by virtue of shares held by related company

[2] Deemed interest by virtue of shares held by close family member

GROUP CHIEF EXECUTIVE OFFICER'S SHAREHOLDINGS

As at 31 March 2023

Name	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%	Total No. of Shares Held	%
1. Encik Muhammad Fateh Teh bin Abdullah	-	-	-	-	-	-

LIST OF TOP 30 SHAREHOLDERS

As at 31 March 2023

No.	Names	Holdings No. of Shares	%
1	MED-BUMIKAR MARA SDN BHD	92,704,349	23.72
2	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MED-BUMIKAR MARA SDN BHD (SAM)	46,500,000	11.90
3	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MED-BUMIKAR MARA SDN BHD (PIVB)	35,800,000	9.16
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	27,154,218	6.95
5	LEMBAGA TABUNG HAJI	18,818,600	4.81
6	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MED-BUMIKAR MARA SDN BHD (CBD-GR6)	18,500,000	4.73
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	10,760,500	2.75
8	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	8,852,520	2.26
9	YAP LIM SEN	3,647,200	0.93
10	FEDERAL REALTY COMPANY SDN BHD	3,596,788	0.92
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	3,403,000	0.87
12	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	2,843,500	0.73
13	ONG CHOO BOO & SONS SDN BERHAD	2,756,233	0.71
14	CENTRAL SHORE SDN BHD	2,213,402	0.57
15	LEMBAGA TABUNG ANGKATAN TENTERA	1,993,500	0.51
16	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	1,835,602	0.47
17	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA SYARIAH	1,670,400	0.43
18	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	1,618,700	0.41
19	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA	1,500,000	0.38

LIST OF TOP 30 SHAREHOLDERS

As at 31 March 2023

No.	Names	Holdings No. of Shares	Holdings %
20	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT SHARIAH PROGRESS FUND	1,448,300	0.37
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA PUBLIC TAKAFUL BHD.	1,377,200	0.35
22	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MAYBANK MALAYSIA VALUE FUND	1,353,000	0.35
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	1,314,700	0.34
24	ZAHARAH BINTI NORDIN	1,308,300	0.33
25	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND ARP7 FOR ARROWSTREET CAPITAL GLOBAL EQUITY ALPHA EXTENSION FUND LIMITED	1,251,400	0.32
26	HSBC NOMINEES (ASING) SDN BHD TNTC FOR LSV EMERGING MARKETS SMALL CAP EQUITY FUND, LP	1,224,800	0.31
27	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC ALPHA-40 GROWTH FUND	1,204,500	0.31
28	YAP SIEW CHIN	1,200,056	0.31
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DG)	1,200,000	0.31
30	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	1,192,474	0.31
	TOTAL	**300,243,242**	**76.82**

REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022
(IN RINGGIT MALAYSIA)

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DIRECTORS' REPORT

The directors of **MBM RESOURCES BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The information on name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary, joint venture and associate are disclosed in Notes 47, 48 and 49 to the financial statements respectively.

RESULTS

The results of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit before tax	323,348	155,583
Income tax expense	(26,245)	(186)
Profit for the year from continuing operations	297,103	155,397
Profit for the year from discontinued operation	12,966	-
Profit for the year	310,069	155,397
Attributable to:		
Equity holders of the Company		
Continuing operations	267,385	155,397
Discontinued operation	12,966	-
	280,351	155,397
Non-controlling interests		
Continuing operations	29,718	-
	310,069	155,397

In the opinion of the directors, the results of the Group and of the Company during the financial year have not been substantially affected by an item, transaction or event of a material and unusual nature, other than an one-off gain on disposal of assets classified as held for sale of the Group amounting to RM44,771,000 as disclosed in Note 9 and 13 of the financial statement.

DIVIDENDS

The amounts of dividends paid by the Company since 1 January 2022 are as follows:

	RM'000
In respect of the financial year ended 31 December 2021:	
Second single tier interim dividend of 5 sen per ordinary share, declared on 25 February 2022 and paid on 30 March 2022	19,544
Special single tier dividend of 10 sen, declared on 25 February 2022 and paid on 30 March 2022	39,089
Single tier final dividend of 6 sen per ordinary share, proposed on 28 April 2022, approved by the shareholders at the last Annual General Meeting on 1 June 2022 and paid on 30 June 2022	23,453
In respect of the financial year ended 31 December 2022:	
First single tier interim dividend of 6 sen per ordinary share, declared on 25 August 2022 and paid on 30 September 2022	23,453
Special single tier dividend of 10 sen, declared on 25 August 2022 and paid on 30 September 2022	39,089
	144,628

On 20 February 2023, the directors declared a second single tier interim dividend of 6 sen per ordinary share amounting to RM23,453,000 and a special single tier dividend of 15 sen per ordinary share amounting to RM58,633,000 in respect of the current financial year ended 31 December 2022 which was paid on 21 March 2023. The financial statements for the current year do not reflect the second single tier interim dividend and special single tier dividend paid and will be accounted for in equity as an appropriation of retained earnings in the year ending 31 December 2023.

The directors propose a final single tier dividend of 6 sen per ordinary share amounting to RM23,453,000 in respect of the current financial year ended 31 December 2022. The proposed final dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2023.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would require the writing off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Anwar bin Haji @ Aji
Low Hin Choong #
Ng Seng Kong #
Wong Fay Lee #
Aqil bin Ahmad Azizuddin # (appointed on 26.01.2023)
Dato' Zulfikri bin Osman (appointed on 26.01.2023)
Nik Fazila binti Nik Mohamed Shihabuddin (appointed on 31.01.2023)
Datuk (Dr) Aminar Rashid bin Salleh (resigned on 31.01.2023)
Muhammad Lukman bin Musa @ Hussain (retired on 01.06.2022)

are also the directors of subsidiaries.

The directors of the subsidiaries in office during the financial year and during the period from the end of the financial year to the date of this report are (excluding directors who are also directors of the Company):

Ahmid bin Idris
Isako Yomamoto
Katsumi Ohori
Masanori Takahashi
Muhammad Fateh Teh bin Abdullah
Noor Aman Putra bin Mohd Madi
Dr. Tan Chor Par
Timothy Liew Thau Ee
Wong Wei Khin
Yasutoshi Sugimoto (appointed on 07.06.2022)
Chong Mung Wooi (appointed on 20.12.2022)
Jahabarnisa binti Haja Mohideen (appointed on 16.12.2022, resigned on 21.12.2022, appointed on 07.02.2023)
Takashi Shirai (resigned on 07.06.2022)
Wong Wei Seng (appointed on 20.12.2022, resigned on 07.02.2023)

DIRECTORS' INTERESTS

The interests in shares in the Company and in a related corporation of those who were directors at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Number of ordinary shares			
	As of 1.1.2022	Bought	Sold	As of 31.12.2022
Shares in the Company				
Direct interest				
Low Hin Choong	32,000	-	-	32,000
Ng Seng Kong	160,000	-	-	160,000
Wong Fay Lee	33,100	-	-	33,100
Indirect interest				
Low Hin Choong	1,200,056	-	-	1,200,056
Shares in the holding company, Med-Bumikar Mara Sdn. Bhd.				
Direct interest				
Ng Seng Kong	446,548	-	-	446,548
Indirect interest				
Low Hin Choong	8,225,223	-	-	8,225,223

None of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by directors or being fixed salary of a full-time employee of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

	The Group RM'000	The Company RM'000
Directors:		
Fees	582	517
Salaries and other emoluments	1,566	313
	2,148	830

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the directors and officers of the Company. The amount of insurance premium paid during the year amounted to RM19,461.

There were no indemnities given to or insurance effected for the auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

HOLDING COMPANY

The immediate and ultimate holding company of the Company is Med-Bumikar Mara Sdn. Bhd., a company incorporated in Malaysia.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 44 to the financial statements.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors of the Group and the Company for the financial year ended 31 December 2022 amounting to RM604,000 and RM106,000, respectively.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the Directors,

DATO' ANWAR BIN HAJI @ AJI

NG SENG KONG

Kuala Lumpur
13 April 2023

MBM RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **MBM RESOURCES BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2022 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

DATO' ANWAR BIN HAJI @ AJI

NG SENG KONG

Kuala Lumpur
13 April 2023

MBM RESOURCES BERHAD
(Incorporated in Malaysia)

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **CHIN TZE FUI @ ANNIE CHIN (MIA number: 9387)**, the officer primarily responsible for the financial management of **MBM RESOURCES BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

CHIN TZE FUI @ ANNIE CHIN

Subscribed and solemnly declared by the abovenamed
CHIN TZE FUI @ ANNIE CHIN at **KUALA LUMPUR** on
this 13th April 2023.

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MBM RESOURCES BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **MBM RESOURCES BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 31 December 2022, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 97 to 179.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws* (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

(Forward)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How the scope of our audit responded to the key audit matter*
Revenue recognition Revenue is recognised at an amount that reflects the consideration in the contracts to which the Group expected to be entitled in exchange for promised goods or services to the customer as and when the Group satisfied its performance obligation by transferring promised goods or services to the customers, which is when the customers obtain control of the goods or services at a point of time. We focused on this area as there is presumed significant risk with regards to revenue recognition of distribution of motor vehicles, and automotive parts and components sales not recorded in the appropriate accounting period and revenue represents the most significant item on the Group's financial statements. Revenue being one of the key driver of the financial performance of the Group and large volume of transactions increase the inherent risk that revenue may not be recognised in the appropriate accounting period.	Our audit procedures, among others, included: • Obtained an understanding of the relevant controls over the revenue recognition; • Evaluated the design and implementation of the relevant controls and tested their operating effectiveness; • Performed procedures to corroborate the timing of revenue recognition based on completion performance obligations, and control of the related goods is transferred to the customer.

We have determined that there is no key audit matter in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

(Forward)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(Forward)

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

(d) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine the matter that was of most significance in the audit of the financial statements of the Group and of the Company for the current year and is therefore the key audit matter. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Forward)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 47 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

SUDHANYA SAHOO
Partner - 03669/06/2024 J
Chartered Accountant

13 April 2023

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2022

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Continuing operations					
Revenue	5	2,307,613	1,528,664	133,743	103,002
Cost of sales	6	(2,117,439)	(1,392,276)	-	-
Gross profit		190,174	136,388	133,743	103,002
Other income		81,314	37,176	26,887	10,028
Administrative and other expenses		(98,705)	(82,613)	(6,917)	(6,026)
Selling and marketing expenses		(67,811)	(47,153)	-	-
Finance costs	7	(667)	(537)	(10)	(27)
Interest income	8	4,742	3,684	1,880	3,952
Share of results of a joint venture, net of tax	21	15,978	11,096	-	-
Share of results of associates, net of tax	22	198,323	152,791	-	-
Profit before tax	9	323,348	210,832	155,583	110,929
Income tax expense	12	(26,245)	(15,181)	(186)	(660)
Profit for the year from continuing operations		297,103	195,651	155,397	110,269
Profit/(loss) for the year from discontinued operation, net of tax	13	12,966	(160)	-	-
Profit for the year		310,069	195,491	155,397	110,269
Other comprehensive income/(loss), net of tax					
Items that may be reclassified subsequently to profit or loss:					
Share of revaluation surplus from fair value adjustments of assets in an associate		842	20	-	-
Share of foreign currency translation reserve of foreign operations of associates		57	(823)	-	-
Net gain on cash flow hedges of an associate		-	47	-	-
Other comprehensive income/(loss) for the year, net of tax		899	(756)	-	-
Total comprehensive income for the year		310,968	194,735	155,397	110,269

(Forward)

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit for the year attributable to:				
Equity holders of the Company				
Continuing operations	267,385	171,383	155,397	110,269
Discontinued operation	12,966	(160)	-	-
	280,351	171,223	155,397	110,269
Non-controlling interests				
Continuing operations	29,718	24,268	-	-
	310,069	195,491	155,397	110,269
Total comprehensive income attributable to:				
Equity holders of the Company				
Continuing operations	268,209	170,620	155,397	110,269
Discontinued operation	12,966	(160)	-	-
	281,175	170,460	155,397	110,269
Non-controlling interests				
Continuing operations	29,793	24,275	-	-
	310,968	194,735	155,397	110,269

	Note	The Group	
		2022 Sen	2021 Sen
Earnings/(Loss) per share	14		
Basic from:			
Continuing operations		68.4	43.8
Discontinued operation		3.3	(0.0)
		71.7	43.8
Diluted from:			
Continuing operations		68.4	43.8
Discontinued operation		3.3	(0.0)
		71.7	43.8
Net dividend per ordinary share	15	37.0	20.0

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As of 31 December 2022

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	16	174,481	181,269	36	41
Right-of-use assets	17	3,797	2,165	1,346	333
Investment properties	18	69,539	91,483	-	-
Prepaid land lease payments	19	38,905	30,735	-	-
Investment in subsidiaries	20	-	-	462,898	300,890
Investment in a joint venture	21	88,165	82,387	-	-
Investment in associates	22	1,525,596	1,416,521	179,468	179,468
Other investments	24	2,280	2,280	-	-
Deferred tax assets	25	3,169	1,878	-	-
Goodwill on consolidation	26	1,104	1,104	-	-
Total Non-Current Assets		1,907,036	1,809,822	643,748	480,732
Current Assets					
Inventories	27	115,649	93,548	-	-
Trade receivables	28	178,641	138,886	-	-
Other receivables, deposits and prepaid expenses	29	20,358	21,712	164	142
Amount owing by subsidiaries	30	-	-	1,245	156,081
Tax recoverable		2,015	5,484	58	-
Cash, bank balances and short-term fund investments	31	284,764	260,940	92,076	87,808
		601,427	520,570	93,543	244,031
Assets classified as held for sale	32	20,128	30,645	-	-
Total Current Assets		621,555	551,215	93,543	244,031
Total Assets		2,528,591	2,361,037	737,291	724,763

(Forward)

STATEMENTS OF FINANCIAL POSITION
As of 31 December 2022

	Note	The Group		The Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	33	391,651	391,651	391,651	391,651
Reserves	34	1,662,885	1,526,338	340,469	329,700
Equity attributable to owners of the Company		2,054,536	1,917,989	732,120	721,351
Non-controlling interests	20	287,194	270,273	-	-
Total Equity		2,341,730	2,188,262	732,120	721,351
Non-Current Liabilities					
Deferred tax liabilities	25	3,900	5,046	-	-
Retirement benefits obligation	36	2,112	2,609	1,400	1,400
Lease liabilities	37	1,339	709	1,005	-
Total Non-Current Liabilities		7,351	8,364	2,405	1,400
Current Liabilities					
Short-term borrowings	35	-	23,326	-	-
Trade payables	38	116,369	90,001	-	-
Other payables and accrued expenses	39	54,866	47,985	1,741	944
Amount owing to a subsidiary company	40	-	-	649	635
Amount owing to holding company	40	34	61	34	61
Lease liabilities	37	2,396	1,456	342	359
Tax liabilities		5,845	1,582	-	13
Total Current Liabilities		179,510	164,411	2,766	2,012
Total Liabilities		186,861	172,775	5,171	3,412
Total Equity and Liabilities		2,528,591	2,361,037	737,291	724,763

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Year Ended 31 December 2022

The Group	Note	Share capital RM'000	Non-distributable reserve: Fair value reserve RM'000	Non-distributable reserve: Hedging reserve RM'000	Non-distributable reserve: Foreign currency translation reserve RM'000	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
As of 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	15	-	-	-	-	(144,628)	(144,628)	-	(144,628)
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	(12,857)	(12,857)
Profit for the year		-	-	-	-	280,351	280,351	29,718	310,069
Other comprehensive income		-	767	-	57	-	824	75	899
Total comprehensive income for the year		-	767	-	57	280,351	281,175	29,793	310,968
Capital distribution to non-controlling interest of a subsidiary		-	-	-	-	-	-	(15)	(15)
As of 31 December 2022		391,651	3,762	-	(1)	1,659,124	2,054,536	287,194	2,341,730

(Forward)

STATEMENTS OF CHANGES IN EQUITY
For the Year Ended 31 December 2022

The Group	Note	Share capital RM'000	← Non-distributable reserve → Fair value reserve RM'000	Hedging reserve RM'000	Foreign currency translation reserve RM'000	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
As of 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	15	-	-	-	-	(78,178)	(78,178)	-	(78,178)
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	(30,988)	(30,988)
Profit for the year		-	-	-	-	171,223	171,223	24,268	195,491
Other comprehensive loss		-	18	42	(823)	-	(763)	7	(756)
Total comprehensive income for the year		-	18	42	(823)	171,223	170,460	24,275	194,735
As of 31 December 2021		391,651	2,995	-	(58)	1,523,401	1,917,989	270,273	2,188,262

The Company	Note	Share capital RM'000	Distributable reserve - Retained earnings RM'000	Total equity RM'000
As of 1 January 2022		391,651	329,700	721,351
Dividends	15	-	(144,628)	(144,628)
Total comprehensive income for the year		-	155,397	155,397
As of 31 December 2022		391,651	340,469	732,120
As of 1 January 2021		391,651	297,609	689,260
Dividends	15	-	(78,178)	(78,178)
Total comprehensive income for the year		-	110,269	110,269
As of 31 December 2021		391,651	329,700	721,351

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Year Ended 31 December 2022

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit/(Loss) before tax				
Continuing operations	323,348	210,832	155,583	110,929
Discontinued operation	12,970	(154)	-	-
	336,318	210,678	155,583	110,929
Adjustments for:				
Depreciation of:				
Property, plant and equipment	12,980	13,114	19	11
Right-of-use assets	3,410	2,119	333	333
Investment properties	1,773	1,757	-	-
Property, plant and equipment written off	28	116	-	-
Amortisation of prepaid land lease payments	542	475	-	-
Impairment losses on investment in subsidiaries	-	-	69,700	9
Impairment losses on investment in subsidiaries no longer required	-	-	(95,844)	-
Fair value gain on other investment	-	(418)	-	-
Allowance for slow-moving inventories	618	533	-	-
Allowance for slow-moving inventories no longer required	(427)	(1,063)	-	-
Allowance for expected credit losses on:				
Trade receivables	140	263	-	-
Other receivables	45	-	-	-
Allowance for expected credit losses on trade receivables no longer required	(475)	(43)	-	-
Allowance for expected credit losses on amount owing by subsidiaries no longer required	-	-	(100)	(10,034)
Pension costs - defined benefit plans	889	1,147	-	-
Dividend income	-	-	(133,508)	(102,778)
Finance costs	667	537	10	27
Interest income on:				
Bank deposits	(4,000)	(3,639)	(1,190)	(1,112)
Amount owing by subsidiaries	-	-	(690)	(2,840)
Others	(776)	(51)	-	-
Share of results of a joint venture	(15,978)	(11,096)	-	-
Share of results of associates	(198,323)	(152,791)	-	-

(Forward)

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Rental rebate	-	(46)	-	-
Waiver of trade payable	(143)	-	-	-
Gain on disposal of:				
Property, plant and equipment	(324)	(35)	-	-
Investment properties	(3)	-	-	-
Assets classified as held for sale	(44,771)	-	-	-
Operating Profit/(Loss) Before Working Capital Changes	92,190	61,557	(5,687)	(5,455)
Movements in working capital:				
Increase:				
Receivables	(38,078)	(2,886)	(22)	(14)
Inventories	(22,292)	(36,875)	-	-
Net changes in related company balances [Note (i)]	(27)	25	11,513	3,552
Increase in:				
Payables	37,662	5,191	797	165
Cash Generated From/(Used In) Operations	69,455	27,012	6,601	(1,752)
Contributions paid under retirement benefit schemes	(1,386)	(1,332)	-	-
Income tax refunded	1,172	2,280	-	-
Income tax paid [Note (ii)]	(20,296)	(18,634)	(257)	(768)
Net Cash From/(Used In) Operating Activities	48,945	9,326	6,344	(2,520)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends received from:				
Subsidiaries	-	-	62,703	47,573
Associates	90,147	71,088	70,805	55,205
Joint venture	10,200	10,200	-	-
Interest received	4,743	3,639	1,190	1,112
Proceeds from disposal of:				
Property, plant and equipment	413	125	-	-
Investment properties	46	-	-	-
Assets classified as held for sales [Note (ii)]	69,316	-	-	-
Purchase of:				
Property, plant and equipment	(6,309)	(8,956)	(14)	(44)
Investment properties	-	(10)	-	-
Addition to prepaid land lease payments	(8,712)	-	-	-
Decrease/(Increase) in deposits with maturities in excess of three months	11,300	(11,310)	-	-
Final cash distribution from a subsidiary	-	-	36	-
Proceeds from redemption of redeemable convertible preference shares of an indirect subsidiary	-	-	8,200	-
Net Cash From Investing Activities	171,144	64,776	142,920	103,846

(Forward)

	Note	The Group		The Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS USED IN FINANCING ACTIVITIES					
Net (decrease)/increase of other borrowings		(18,864)	18,864	-	-
Repayment of term loans		(124)	(803)	-	-
Finance costs paid		(667)	(537)	(10)	(27)
Payment of lease liabilities		(3,472)	(2,126)	(358)	(341)
Capital distribution to non-controlling interest of a subsidiary		(15)	-	-	-
Dividends paid to non-controlling interests of subsidiaries		(12,857)	(30,988)	-	-
Dividends paid		(144,628)	(78,178)	(144,628)	(78,178)
Net Cash Used in Financing Activities		(180,627)	(93,768)	(144,996)	(78,546)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		39,462	(19,666)	4,268	22,780
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		245,240	264,906	87,808	65,028
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	31	284,702	245,240	92,076	87,808

Note

(i) During the year, an amount owing by subsidiaries of RM144,100,000 has been settled by way of issuance of an equivalent amount of ordinary shares and redeemable convertible preference shares of the subsidiaries as disclosed in Note 20.

(ii) During the year, the Group has disposed the assets held for sale for a total consideration of RM75,416,000 of which RM1,830,000 and RM4,270,000 were a portion of real property gain tax withheld by the Purchaser and downpayment received from the Purchaser in 2021 respectively. Accordingly, the cash receipts on account of disposal of assets held for sale during the year was RM69,316,000.

(iii) **Cash outflows for leases - as lessee**

	Note	The Group		The Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Included in net cash from operating activities:					
Payment relating to short-term leases	17	307	436	12	12
Payment relating to leases of low-value assets	17	151	200	-	3
Included in net cash from financing activities:					
Interest paid in relation to lease liabilities	37	198	147	10	27
Payment of lease liabilities	37	3,472	2,126	358	341
Total cash outflows from leases		4,128	2,909	380	383

The accompanying Notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is investment holding.

The information on name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary, joint venture and associate are disclosed in Notes 47, 48 and 49 respectively.

There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

The financial statements are presented in Ringgit Malaysia ("RM"). All values are recorded to the nearest thousand ("RM'000") except where otherwise indicated.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia and the principal place of business of the Company is located at No. 23-01, Level 23, Menara MBMR, 1, Jalan Syed Putra, 58000 Kuala Lumpur, Malaysia.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors on 13 April 2023.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Application of Amendments to Malaysian Financial Reporting Standard

In the current financial year, the Group and the Company have adopted all the amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are 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 MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

Standards and Amendments in Issue But Not Yet Effective

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

MFRS 17	Insurance Contracts[1]

Amendments to:

MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9[1]
MFRS 17	Insurance Contracts[1]
MFRS 17	Initial Application of MFRS 17 and MFRS 9 Comparative Information[1]
MFRS 101	Disclosure of Accounting Policies[1]
MFRS 108	Definition of Accounting Estimates[1]
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
MFRS 16	Lease Liability in a Sale and Leaseback[2]
MFRS 101	Classification of Liabilities as Current or Non-current[2]
MFRS 101	Non-current Liabilities with Covenants[2]
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

[1] Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.
[3] Effective date deferred to a date to be announced by MASB.

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group and the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the Group have been prepared under the historical cost convention unless otherwise indicated in this summary of accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Paymen*t, leasing transaction that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value-in-use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;

- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate.

Subsidiaries

Investments in subsidiaries which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Business Combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under MFRS 3 *Business Combinations* are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with MFRS 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Investment in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with MFRS 5.

Under the equity method, investment in associate and joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of MFRS 136 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or a joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or a joint venture on the same basis as would be required if that associate or a joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or a joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent that the Group's interest in the associate or joint venture is not related to the Group.

Goodwill on Consolidation

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Company's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of Goodwill

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Revenue Recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract or implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange of transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which they will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling price of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

(i) **Sales of Goods - Motor Vehicles**

The Group's primary activity is marketing and sales of motor vehicles. Revenue is recognised when the control of the goods has transferred, being when the vehicle is registered in the name of the customer, delivered to the customer or invoice acknowledged by customer. Following the registration, delivery or acknowledgement, the customer has full discretion over the manner of the uses of the vehicle and the Group is entitled to the payment of the vehicle.

(ii) **Sales of Goods - Manufactured Auto Parts**

The Group manufactures and sells auto parts and components.

For the sale of manufactured auto parts, revenue is recognised by the Group at a point in time when control of the goods underlying the performance obligation is transferred to the customers.

(iii) **Sales of Services**

The Group provides aftersales services including vehicle repairs and maintenance, provision for insurance services and property management and maintenance services. Revenue from these services are recognised when the services are performed.

(iv) **Dividend Income**

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(v) **Interest Income**

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(vi) **Rental Income**

Rental income is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

Foreign Currencies

(i) **Functional and Presentation Currencies**

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (the "functional currency"). For the purposes of the consolidated financial statements, the results and the financial position of each group entity are expressed in Ringgit Malaysia ("RM") which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

(ii) **Foreign Currency Transactions**

In preparing the financial statements of the Group, transactions in foreign currencies other than the entity's functional currency (i.e. foreign currencies) are recorded at the rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss in the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss in the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

(iii) **Foreign Currency Translation Reserve**

Foreign currency translation reserve arises on conversion of the assets and liabilities of the Group's foreign associates to RM using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign currency translation reserve (attributable to non-controlling interests as appropriate). Such exchange differences are recognised in profit or loss in the period in which the foreign associate is disposed of.

Employee Benefits

(i) **Short-term Employee Benefits**

Wages, salaries, paid annual leave, bonuses and social contributions are recognised in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) **Defined Contribution Plan**

The Group makes statutory contributions to the Employees Provident Fund ("EPF") and the contributions are charged to profit or loss for the period. The EPF is a defined contribution plan. Once the contributions have been paid, there are no further payment obligations.

(iii) **Retirement Benefits**

The Company operates an unfunded scheme for its eligible employees based on certain terms of the employment contract. The Company's net obligations in respect of the plan are calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. Contributions relating to the plan are charged to profit or loss when incurred.

Daihatsu (Malaysia) Sdn. Bhd. and its subsidiaries ("Daihatsu Group") operate a funded, defined Retirement Benefit Scheme ("Scheme") for their eligible employees. Daihatsu Group's obligation under the Scheme is calculated using the Projected Unit Credit Method, with actuarial valuations being carried out every three years. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

The amounts recognised in the statements of financial position represent the present value of the defined benefit obligations, which are reduced by the fair value of plan assets.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) **Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(iii) **Current and Deferred Tax for the Period**

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Repair and maintenance costs are recognised in profit or loss as incurred.

Capital work-in-progress represents assets under construction and is stated at cost.

Freehold land and capital work-in-progress are not depreciated. Depreciation of other property, plant and equipment is computed on the straight-line method to write down the cost of the various property, plant and equipment to their residual values over their estimated useful lives at the following annual rates:

Buildings	1% - 5%
Plant and machinery	5% - 33 1/3%
Renovations and leasehold improvements	10% - 33 1/3%
Furniture, fixtures, fittings, equipment and tools and implements	5% - 33 1/3%
Motor vehicles	20% - 25%

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

Investment Properties

Investment properties, comprising certain freehold lands and buildings, are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less accumulated depreciation and any impairment losses.

Investment properties are derecognised when either they are sold or when they are permanently withdrawn from use and no future economic benefit is expected. Any gains or losses on the retirement or disposal of investment properties (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) are recognised in the profit or loss in the year in which they arise.

Freehold land is not depreciated. Buildings are depreciated on the straight-line method at annual rates of 1% to 5%.

Impairment of Non-financial Assets Excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leases

The Group and the Company as lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and make a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group and the Company incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137 Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group and the Company apply MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'impairment of non-financial assets excluding goodwill' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'administrative and other expenses' in the statements of profit or loss.

The Group and the Company as lessor

The Group and the Company enter into lease agreement with respect of investment properties. Leases for which the Group and the Company are a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's and the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's and the Company's net investment outstanding in respect of the leases.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method for vehicles and weighted average method for parts and consumables. The cost of raw materials comprises cost of purchase plus the cost of bringing the inventories to their present location. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportion of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Non-Current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.

The sale is expected to qualify for recognition as a completed sale within one (1) year from the date of classification. However, an extension of the period required to complete the sale does not preclude the assets from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to its plan to sell the assets.

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets are measured in accordance with applicable MFRSs. On initial classification as held for sale, non-current assets (other than investment properties, deferred tax assets, employee benefits assets, and financial assets carried at fair value) are measured at the lower of carrying amount before the initial classification as held for sale and fair value less costs to sell. The differences, if any, are recognised in profit or loss as impairment loss.

Non-current assets held for sale are classified separately on the face of the statements of financial position and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current asset classified as held for sale is presented separately.

If the Group has classified an asset as held for sale but subsequently the criteria for classification is no longer met, the Group ceases to classify the asset as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale at the lower of:

(a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale; and

(b) its recoverable amount at the date of the subsequent decision not to sell.

Discontinued Operation

A discontinued operation is a separate major line of business of the Group that can be distinguished operationally and for financial reporting purposes, which is disposed of in its entirety or piecemeal, or terminated through abandonment. Post-tax profit or loss of the discontinued operation is presented as a single amount on the face of the statement of comprehensive income.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the directors' best estimate of the amount required to settle the obligation by the end of the reporting period, and are discounted to present value where the effect is material.

Provisions for estimated expenses related to policy and product warranties are made at the time products are sold. These estimates are established using historical information on the nature, frequency, and average cost of claims. Revision to the provisions for estimated policy and products warranties is made when necessary, based on changes in these factors. The Group actively studies trends of claims and takes action to improve product quality and minimise claims.

At the end of each reporting period, provisions are reviewed by the directors and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group will be required to settle the obligation.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed by the chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Contingent Liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

Financial Instruments

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provision of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are immediately recognised in the statement of profit or loss. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the statement of profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

(a) **Financial Assets**

Financial assets measured at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Financial assets measured at fair value through other comprehensive income (“FVTOCI”)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through profit or loss (“FVTPL”)

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss. Fair value changes are recognised in the statements of profit or loss at each reporting period. The Group in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has been classified as financial instrument through profit and loss and any subsequent changes in fair value to be charged to statements of profit and loss. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. The Group and the Company recognise life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. The impairment losses and reversals are recognised in the statement of profit or loss.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group and the Company recognise the retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received. On derecognition of a financial asset (except for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the statements of profit or loss.

(b) **Financial Liabilities and Equity Instruments**

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The differences between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the statement of profit or loss.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of the impairment loss determined in accordance with MFRS 9; and
- The amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, the directors are of the opinion that there are no instances of application of judgement which are expected to have significant effect on the amounts recognised in the financial statements except as disclosed below:

(a) **Classification between investment properties and property, plant and equipment**

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

(ii) Key sources of estimation uncertainty

The directors believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as disclosed below:

(a) **Allowance for expected credit losses**

Allowance for expected credit loss is made by an allowance matrix to measure expected credit losses ("ECLs") of receivables. A considerable amount of judgement is required in assessing the loss rates, which are based on actual credit loss experience. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. If the financial conditions of the customers with which the Group deals were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required. Details are disclosed in Notes 28, 29 and 30.

(b) **Impairment of investment in subsidiaries**

The Company reviews the carrying amount of investment in subsidiaries. The Company assesses impairment indicator for the investment in subsidiaries and if there is any indicator of further impairment or reversal of impairment, the management will compute the recoverable amount of the investment in subsidiaries based on the value in use. The carrying amount of investment in subsidiaries as of 31 December 2022 is RM462,898,000 (2021: RM300,890,000). Impairment loss and impairment loss no longer required amounting to RM69,700,000 (2021: RM9,000) and RM95,844,000 (2021: RMNil) have been recognised in the profit or loss during the current year. Further details are disclosed in Note 20.

(c) **Impairment of investment in a joint venture**

The Group reviews the carrying amount of investment in a joint venture. The Group assesses impairment indicator for the investment in joint venture and if there is any indicator of further impairment or reversal of impairment, the management will compute the recoverable amount of the investment in joint venture based on the value in use. The carrying amount of investment in a joint venture as of 31 December 2022 is RM88,165,000 (2021: RM82,387,000) and an accumulated impairment loss of RM31,030,000 (2021: RM31,030,000) has been recognised.

(d) **Deferred tax assets**

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details are disclosed in Note 25.

(e) **Allowance for slow-moving inventories and write down of inventories to net realisable value**

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. Management analyses the current market and economic trends and also the aging when assessing the allowance for slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. Details are as disclosed in Note 27.

(f) **Impairment of property, plant and equipment**

The Group carries out the impairment test based on a variety of estimation including the fair value less costs to sell and value-in-use of the property, plant and equipment. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from these assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Estimating the fair value less costs to sell requires the Group to make a reference to market prices of the property, plant and equipment that are publicly available adjusted with certain assumptions made by management. As of 31 December 2022, the Group has recognised an accumulated impairment loss in respect of its property, plant and equipment amounting to RM2,446,000 (2021: RM3,319,000). The carrying amounts of property, plant and equipment of the Group as of 31 December 2022 are disclosed in Note 16.

5. REVENUE

Revenue of the Group and of the Company consists of the following:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Revenue from contracts with customers:				
Sale of goods and services:				
Motor trading	1,989,059	1,319,859	-	-
Auto parts manufacturing	316,108	206,611	-	-
Management fee receivable from subsidiaries [Note 41(a)]	-	-	235	224
	2,305,167	1,526,470	235	224
Revenue from other sources:				
Property rental income	2,446	2,194	-	-
Dividends from:				
Subsidiaries [Note 41(a)]	-	-	62,703	47,573
Associates [Note 41(a)]	-	-	70,805	55,205
	2,446	2,194	133,508	102,778
	2,307,613	1,528,664	133,743	103,002

Timing of revenue recognition:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Revenue from contracts with customers:				
Point in time	2,305,167	1,526,470	-	-
Over time	-	-	235	224
	2,305,167	1,526,470	235	224

6. COST OF SALES

Cost of sales of the Group represents cost of goods sold and services rendered during the financial year.

7. FINANCE COSTS

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Interest expense on:				
Borrowings	469	390	-	-
Lease liabilities (Note 37)	198	147	10	27
	667	537	10	27

8. INTEREST INCOME

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Interest income on:				
Bank deposits	3,966	3,633	1,190	1,112
Amount owing by subsidiaries [Note 41(a)]	-	-	690	2,840
Others	776	51	-	-
	4,742	3,684	1,880	3,952

9. PROFIT BEFORE TAX

Profit before tax of continuing operations is arrived at after the following charges/(credits):

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Employee benefits expense (Note 10)	96,256	73,535	4,974	3,555
Directors' remuneration (Note 11)	2,148	2,203	830	929
Depreciation of:				
Property, plant and equipment (Note 16)	12,980	13,114	19	11
Right-of-use assets (Note 17)	3,410	2,119	333	333
Investment properties (Note 18)	1,773	1,757	-	-
Property, plant and equipment written off (Note 16)	28	116	-	-
Amortisation of prepaid land lease payments (Note 19)	542	475	-	-
Impairment losses on investment in subsidiaries (Note 20)	-	-	69,700	9
Impairment losses on investment in subsidiaries no longer required (Note 20)	-	-	(95,844)	-
Fair value gain on other investment (Note 24)	-	(418)	-	-
Allowance for slow-moving inventories (Note 27)	618	533	-	-
Allowance for slow-moving inventories no longer required (Note 27)	(427)	(1,063)	-	-
Allowance for expected credit losses on:				
Trade receivables (Note 28)	140	263	-	-
Other receivables (Note 29)	45	-	-	-
Allowance for expected credit losses no longer required on:				
Trade receivables (Note 28)	(475)	(43)	-	-
Amount owing by subsidiaries (Note 30)	-	-	(100)	(10,034)
Auditors' remuneration:				
Auditors of the Company	592	473	106	92
Other auditors	2	74	-	-
Rental expenses	458	636	12	15
Royalty expenses	828	564	-	-
Rental rebate (Note 37)	-	(46)	-	-
Realised loss on foreign exchange	51	52	-	-
Rental income from land and buildings	(5,479)	(4,632)	-	-
Waiver of trade payable	(143)	-	-	-
Gain on disposal of:				
Property, plant and equipment	(324)	(35)	-	-
Investment properties	(3)	-	-	-
Assets classified as held for sale	(31,374)	-	-	-

10. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Wages and salaries	75,608	58,310	4,454	3,144
Pension costs:				
Defined contribution plans	11,815	9,428	438	351
Defined benefit plans (Note 36)	889	1,147	-	-
Social security costs	1,067	889	17	15
Other benefits	6,877	3,761	65	45
	96,256	73,535	4,974	3,555

Wages and salaries of the Group include wage subsidy received from government under the Wage Subsidy Programme amounting to RM853,000 (2021: RM3,202,000).

11. DIRECTORS' REMUNERATION

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Directors of the Company				
Non-executive:				
Salaries and other emoluments	571	530	313	398
Fees	517	531	517	531
	1,088	1,061	830	929
Directors of subsidiaries				
Executive [Note 41(b)]:				
Salaries and other emoluments	952	1,077	-	-
Non-executive:				
Salaries and other emoluments	43	-	-	-
Fees	65	65	-	-
	1,060	1,142	-	-
	2,148	2,203	830	929

The number of directors of the Company whose total remuneration during the financial year fall within the following bands is as follows:

	Number of directors	
	2022	2021
Non-executive directors:		
Less than RM50,000	-	-
RM50,001 – RM100,000	1	1
RM100,001 – RM150,000	-	2
RM150,001 – RM200,000	2	2
RM200,001 – RM250,000	3	1

12. INCOME TAX EXPENSE

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Income tax expense:				
Current year	25,628	14,845	222	735
Under/(Over) provision in prior years	226	(610)	(36)	(75)
Effect of real property gain tax	2,828	-	-	-
	28,682	14,235	186	660
Deferred tax (Note 25):				
Relating to origination and reversal of temporary differences	(1,930)	319	-	-
(Over)/Under provision in prior years	(507)	627	-	-
	(2,437)	946	-	-
Total tax expense relating to continuing operations	26,245	15,181	186	660
Total tax expense relating to discontinued operation (Note 13)	4	6	-	-
	26,249	15,187	186	660

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit/(Loss) before tax:				
Continuing operations	323,348	210,832	155,583	110,929
Discontinued operation (Note 13)	12,970	(154)	-	-
	336,318	210,678	155,583	110,929
Tax expense at statutory tax rate of 24%	80,716	50,563	37,340	26,623
Tax effects on share of results of a joint venture	(3,835)	(2,663)	-	-
Tax effects on share of results of associates	(47,598)	(36,670)	-	-
Tax effects of:				
Non-deductible expenses	7,082	6,601	1,663	1,452
Non-taxable income	(13,575)	(1,813)	(38,781)	(27,340)
Utilisation of green investment allowances	-	(233)	-	-
Deferred tax assets not recognised	962	3	-	-
Realisation of deferred tax assets previously not recognised	(50)	(618)	-	-
Effects of income subject to real property gain tax	2,828	-	-	-
Under/(Over) provision in prior years:				
Current tax	226	(610)	(36)	(75)
Deferred tax	(507)	627	-	-
	26,249	15,187	186	660

13. DISCONTINUED OPERATION

On 31 May 2019, OMI Alloy (M) Sdn. Bhd. ("OMIA"), a wholly-owned indirect subsidiary of the Company ceased the operation of its alloy wheel manufacturing plant.

(a) Analysis of profit/(loss) for the year from discontinued operation:

The results of the discontinued operation included in the profit or loss for the year are set out below.

	The Group	
	2022 RM'000	2021 RM'000
Revenue	-	-
Other income	14,104	24
Administrative and other expenses	(1,168)	(184)
Interest income	34	6
Profit/(Loss) before tax	12,970	(154)
Income tax expense (Note 12)	(4)	(6)
Profit/(Loss) for the year	12,966	(160)

(b) Cash flows from/(used in) discontinued operation:

	The Group	
	2022 RM'000	2021 RM'000
Net cash flows used in operating activities	(676)	(226)
Net cash flows from investing activities	14,687	6
	14,011	(220)

(c) The following amounts have been included in arriving at profit/(loss) before tax of the discontinued operation:

	The Group	
	2022 RM'000	2021 RM'000
Realised gain on foreign exchange	(576)	(1)
Auditors' remuneration	10	15
Gain on disposal of assets classified as held for sale	(13,397)	-

14. EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings/(loss) per share

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) for the year attributable to owners of the Company by the number of ordinary shares in issue during the financial year.

	The Group	
	2022 RM'000	**2021 RM'000**
Profit/(Loss) for the year attributable to owners of the Company:		
Continuing operations	267,385	171,383
Discontinued operation	12,966	(160)
	280,351	171,223

	2022 '000	**2021 '000**
Number of ordinary shares in issue	390,887	390,887

	2022	**2021**
Basic and diluted earnings/(loss) per share (sen)		
Continuing operations	68.4	43.8
Discontinued operation	3.3	(0.0)
	71.7	43.8

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

15. DIVIDENDS

	The Group and The Company			
	Amount		Net Dividend per Ordinary Share	
	2022 RM'000	2021 RM'000	2022 Sen	2021 Sen
In respect of the financial year ended 31 December 2020:				
Second interim single tier dividend	-	23,453	-	6.0
Final single tier dividend	-	35,181	-	9.0
In respect of the financial year ended 31 December 2021:				
First interim single tier dividend	-	19,544	-	5.0
Second interim single tier dividend	19,544	-	5.0	-
Special single tier dividend	39,089	-	10.0	-
Final single tier dividend	23,453	-	6.0	-
In respect of the financial year ended 31 December 2022:				
First interim single tier dividend	23,453	-	6.0	-
Special single tier dividend	39,089	-	10.0	-
	144,628	78,178	37.0	20.0

On 20 February 2023, the directors declared a second interim single tier dividend of 6 sen per ordinary share amounting to RM23,453,000 and a special single tier dividend of 15 sen per ordinary share amounting to RM58,633,000 in respect of the current financial year ended 31 December 2022 which was paid on 21 March 2023. The financial statements for the current year do not reflect the second interim single tier dividend and special single tier dividend paid and will be accounted for in equity as an appropriation of retained earnings in the year ending 31 December 2023.

The directors propose a final single tier dividend of 6 sen per ordinary share amounting to RM23,453,000 in respect of the current financial year ended 31 December 2022. The proposed final dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2023.

16. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Renovations and leasehold improvements RM'000	Furniture, fixtures, fittings equipment and tools and implements RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
Cost								
At 1 January 2022	33,641	137,162	122,461	65,781	60,089	3,323	2,297	424,754
Additions	-	940	3,152	314	1,785	118	-	6,309
Disposals	-	-	(2,390)	-	(111)	(960)	-	(3,461)
Write-offs	-	-	(583)	(1)	(4,767)	-	-	(5,351)
Transfer from capital work in progress	-	-	-	394	1,903	-	(2,297)	-
At 31 December 2022	33,641	138,102	122,640	66,488	58,899	2,481	-	422,251
Accumulated depreciation								
At 1 January 2022	-	37,429	112,150	35,960	51,304	3,323	-	240,166
Depreciation charge for the year	-	2,182	4,350	4,160	2,214	74	-	12,980
Disposals	-	-	(2,390)	-	(22)	(960)	-	(3,372)
Write-offs	-	-	(583)	(1)	(3,866)	-	-	(4,450)
At 31 December 2022	-	39,611	113,527	40,119	49,630	2,437	-	245,324
Accumulated impairment loss								
At 1 January 2022	-	2,446	-	-	873	-	-	3,319
Write-offs	-	-	-	-	(873)	-	-	(873)
At 31 December 2022	-	2,446	-	-	-	-	-	2,446
Net book value								
At 31 December 2022	33,641	96,045	9,113	26,369	9,269	44	-	174,481

The Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Renovations and leasehold improvements RM'000	Furniture, fixtures, fittings equipment and tools and implements RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
Cost								
At 1 January 2021	60,809	138,108	119,630	65,197	58,734	3,550	-	446,028
Additions	-	814	3,169	764	1,912	-	2,297	8,956
Disposals	-	-	(260)	-	(352)	(179)	-	(791)
Write-offs	-	-	(78)	(180)	(205)	(48)	-	(511)
Transfer to investment properties (Note 18)	(27,168)	(1,760)	-	-	-	-	-	(28,928)
At 31 December 2021	33,641	137,162	122,461	65,781	60,089	3,323	2,297	424,754
Accumulated depreciation								
At 1 January 2021	-	35,143	108,534	31,649	49,845	3,359	-	228,530
Depreciation charge for the year	-	2,668	3,954	4,404	1,949	139	-	13,114
Disposals	-	-	(260)	-	(314)	(127)	-	(701)
Write-offs	-	-	(78)	(93)	(176)	(48)	-	(395)
Transfer to investment properties (Note 18)	-	(382)	-	-	-	-	-	(382)
At 31 December 2021	-	37,429	112,150	35,960	51,304	3,323	-	240,166
Accumulated impairment loss								
At 1 January 2021/ 31 December 2021	-	2,446	-	-	873	-	-	3,319
Net book value								
At 31 December 2021	33,641	97,287	10,311	29,821	7,912	-	2,297	181,269

The Company	Furniture, fittings and equipment RM'000
Cost	
At 1 January 2021	227
Addition	44
31 December 2021/1 January 2022	271
Addition	14
Write-off	(36)
At 31 December 2022	249
Accumulated depreciation	
At 1 January 2021	219
Depreciation charge for the year	11
At 31 December 2021/1 January 2022	230
Depreciation charge for the year	19
Write-off	(36)
At 31 December 2022	213
Net book value	
At 31 December 2022	36
At 31 December 2021	41

(a) The net book values of property, plant and equipment charged for borrowings, as disclosed in Notes 35 are as follows:

	The Group	
	2022 RM'000	2021 RM'000
Freehold land	9,166	21,594
Buildings	8,356	34,703
	17,522	56,297

(b) In 2021, the Group determined that certain assets with net carrying amount of RM28,546,000 no longer met the criteria based on MFRS 116 to qualify as property, plant and equipment and has transferred the said assets to investment properties.

17. RIGHT-OF-USE ASSETS

The Group	Freehold land RM'000	Buildings RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Cost				
At 1 January 2021	4,235	2,252	732	7,219
Additions	-	43	375	418
Disposal[1]	(1,315)	(41)	-	(1,356)
Write-offs[2]	-	-	(77)	(77)
At 31 December 2021/1 January 2022	2,920	2,254	1,030	6,204
Additions	1,672	3,171	199	5,042
Disposal[1]	(1,102)	(324)	-	(1,426)
At 31 December 2022	3,490	5,101	1,229	9,820
Accumulated depreciation				
At 1 January 2021	2,453	757	140	3,350
Depreciation charge for the year	1,213	704	202	2,119
Disposal[1]	(1,315)	(41)	-	(1,356)
Write-offs[2]	-	-	(74)	(74)
At 31 December 2021/1 January 2022	2,351	1,420	268	4,039
Depreciation charge for the year	1,574	1,538	298	3,410
Disposal[1]	(1,102)	(324)	-	(1,426)
At 31 December 2022	2,823	2,634	566	6,023
Net book value				
At 31 December 2022	667	2,467	663	3,797
At 31 December 2021	569	834	762	2,165

[1] Relates to derecognition of right-of-use assets in accordance with MFRS 16 *Leases* following the expiry of the lease agreements.
[2] Relates to write-offs of right-of-use assets due to early termination of lease agreements.

The Company	Buildings RM'000
Cost	
At 1 January 2021/31 December 2021/1 January 2022	1,332
Addition	1,346
31 December 2022	2,678
Accumulated depreciation	
At 1 January 2021	666
Depreciation charge for the year	333
At 31 December 2021/1 January 2022	999
Depreciation charge for the year	333
At 31 December 2022	1,332
Net book value	
At 31 December 2022	1,346
At 31 December 2021	333

[1] Relates to derecognition of right-of-use assets in accordance with MFRS 16 *Leases* following the expiry of the lease agreements.
[2] Relates to write-offs of right-of-use assets due to early termination of lease agreements.

(a) The Group leases several assets including freehold land, buildings, furniture, fittings and equipment. The average lease term of the Group and the Company is 2 to 5 years and 4 years respectively.

(b) Amounts recognised in profit and loss are as follows:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Amounts recognised in profit and loss				
Depreciation of right-of-use assets (Note 9)	3,410	2,119	333	333
Interest expense on lease liabilities (Note 7)	198	147	10	27
Expenses relating to short-term leases	307	436	12	12
Expenses relating to leases of low-value assets	151	200	-	3

18. INVESTMENT PROPERTIES

The Group	RM'000
Cost	
At 1 January 2021	79,539
Addition	10
Transfer from property, plant and equipment (Note 16)	28,928
At 31 December 2021/1 January 2022	108,477
Disposal	(66)
Transfer to assets classified as held for sale (Note 32)	(20,128)
At 31 December 2022	88,283
Accumulated Depreciation	
At 1 January 2021	14,855
Depreciation charge for the year	1,757
Transfer from property, plant and equipment (Note 16)	382
At 31 December 2021/1 January 2022	16,994
Depreciation charge for the year	1,773
Disposal	(23)
At 31 December 2022	18,744
Net Book Value	
At 31 December 2022	69,539
At 31 December 2021	91,483

	The Group	
	2022 RM'000	2021 RM'000
Carrying Amounts	69,539	91,483
Representing:		
Investment properties		
Freehold land	9,809	29,937
Buildings	59,730	61,546
	69,539	91,483

(a) Amount recognised in profit or loss are as follows:

	The Group	
	2022 RM'000	2021 RM'000
Rental income from operating leases	4,695	4,320
Direct operating expenses from property that generated rental income	1,179	993
Direct operating expenses from property that did not generate rental income	269	566

(b) Fair value of the investment properties of the Group as of 31 December 2022 is estimated at RM184,247,000 (2021: RM207,524,000) based on directors' assessment of the current prices in an active market for the respective properties within each vicinity.

The fair value of the Group's investment properties is categorised into Level 3 of the fair value hierarchy.

The fair value of investment properties at Level 3 is determined by reference to previous sales of similar properties in the vicinity on a price per square feet basis. Any changes in the price per square feet would result in a higher or lower fair value of the investment properties.

19. PREPAID LAND LEASE PAYMENTS

	The Group	
	2022 RM'000	2021 RM'000
At 1 January	30,735	31,210
Addition	8,712	-
Amortisation for the year (Note 9)	(542)	(475)
At 31 December	38,905	30,735

At the end of the reporting period, the unexpired lease periods are as follows:

	The Group	
	2022 RM'000	2021 RM'000
Within 1 to 30 years	16,252	14,254
Within 31 to 60 years	19,779	13,277
Within 61 to 99 years	2,874	3,204
	38,905	30,735

20. INVESTMENT IN SUBSIDIARIES

	The Company	
	2022 RM'000	2021 RM'000
At cost, in Malaysia:		
Unquoted ordinary shares	696,483	696,453
Unquoted preference shares in a direct subsidiary	65,000	-
Unquoted preference shares in an indirect subsidiary	70,800	-
	832,283	696,453
Less: Accumulated impairment losses	(369,385)	(395,563)
Net	462,898	300,890
Movement in impairment losses		
At 1 January	395,563	395,554
Amount recognised during the year (Note 9)	69,700	9
Amount no longer required during the year (Note 9)	(95,844)	-
Derecognised on liquidation of a subsidiary	(34)	-
At 31 December	369,385	395,563

Details of the subsidiaries are disclosed in Note 47.

The carrying amount of the investment in subsidiaries is assessed for impairment during the financial year and the recoverable amount of the investment in subsidiaries is determined based on the value in use of the subsidiaries. An impairment loss is recognised immediately in profit or loss if the recoverable amount is less than carrying amount. An earlier provided impairment loss is reversed when recoverable amount is more than the carrying amount less accumulated impairment loss.

During the financial year,

(a) MBMR Properties Sdn. Bhd., a wholly owned subsidiary of the Company and OMI Alloy (M) Sdn. Bhd. ("OMIA"), an indirect subsidiary of the Company has issued 65,000,000 and 79,000,000 redeemable convertible preference shares ("RCPS") respectively, at an issue price of RM1.00 each by way of capitalising an equivalent amount owing by the subsidiaries, which were fully subscribed by the Company.

    On 25 August 2022, OMIA has made a redemption of 8,200,000 RCPS at the redemption price of RM1.00 each.

(b) Summit Vehicles Body Works Sdn. Bhd., a wholly owned subsidiary of the Company has issued 100,000 ordinary shares at an issue price of RM1.00 each by way of capitalising an equivalent amount owing by the subsidiary, which were fully subscribed by the Company.

(c) Menara MBMR Holdings Sdn. Bhd., a wholly owned subsidiary of the Company with 70,000 ordinary shares at an issue price of RM1.00 each has been dissolved by Members' Voluntary Winding-up.

Details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting rights held by non-controlling interests	Profit allocated to non-controlling interests	Dividend paid to non-controlling interests	Accumulated non-controlling interests
2022					
Daihatsu (Malaysia) Sdn. Bhd. ("DMSB")	Malaysia	48.5%	29,844	(12,841)	285,582
Individually immaterial subsidiaries with non-controlling interests					1,612
					287,194
2021					
Daihatsu (Malaysia) Sdn. Bhd. ("DMSB")	Malaysia	48.5%	24,324	(30,974)	268,579
Individually immaterial subsidiaries with non-controlling interests					1,694
					270,273

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	DMSB	
	2022 RM'000	2021 RM'000
Statement of financial position as of 31 December		
Current assets	240,948	210,875
Non-current assets	114,633	117,726
Current liabilities	58,622	46,047
Non-current liabilities	1,974	2,191
Equity attributable to owners of the Company	294,985	280,363
Statement of profit or loss and other comprehensive income for the year ended 31 December		
Revenue	1,418,165	955,526
Profit/Total comprehensive income for the year	41,099	33,591
Statement of cash flows as of 31 December		
Net cash (used in)/from operating activities	(17,709)	11,702
Net cash from investing activities	28,690	2,813
Net cash used in financing activities	(28,133)	(65,443)
Net decrease in cash and cash equivalents	(17,152)	(50,928)

21. INVESTMENT IN A JOINT VENTURE

	The Group 2022 RM'000	The Group 2021 RM'000
In Malaysia:		
Unquoted shares, at cost	36,180	36,180
Share of post-acquisition reserves	51,985	46,207
	88,165	82,387

Details of the joint venture are disclosed in Note 48.

The financial year end of the joint venture is coterminous with the financial year end of the Group. For the purpose of applying the equity method of accounting, the share of results of the joint venture is arrived at based on the audited financial statements.

The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with MFRSs:

The Group	2022 RM'000	2021 RM'000
Assets and liabilities		
Non-current assets	61,941	55,133
Current assets	148,021	121,557
Total assets	209,962	176,690
Non-current liabilities	4,948	3,878
Current liabilities	77,041	56,168
Total liabilities	81,989	60,046
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	46,074	35,658
Current financial liabilities (excluding trade and other payables and provisions)	252	200
Results		
Revenue	332,136	209,469
Profit/Total comprehensive income for the year	31,330	21,757
Group's share of results of joint venture	15,978	11,096
The above profit for the year include the following (expenses)/income:		
Depreciation and amortisation	(8,820)	(9,315)
Interest income	639	305
Interest expense	(20)	(20)
Income tax expense	(9,810)	(7,028)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements are as follows:

	2022 RM'000	2021 RM'000
Goodwill	22,899	22,899
Group's share of net assets	65,266	59,488
Group's carrying amount of interest in the joint venture	88,165	82,387

22. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
In Malaysia:				
Unquoted shares, at cost	226,468	226,468	179,468	179,468
Share of post-acquisition reserves	1,299,128	1,190,053	-	-
	1,525,596	1,416,521	179,468	179,468

Details of the associates are disclosed in Note 49.

The summarised financial information of the associates is as follows:

The Group	2022 RM'000	2021 RM'000
Assets and liabilities		
Non-current assets	4,595,183	4,201,274
Current assets	2,854,602	2,696,652
Total assets	7,449,785	6,897,926
Non-current liabilities	79,459	60,531
Current liabilities	1,093,435	914,652
Total liabilities	1,172,894	975,183
Results		
Revenue	16,888,977	11,193,805
Profit for the year	805,351	612,433
Group's share of results of associates	198,323	152,791

The financial year ends of the associates are coterminous with the financial year end of the Group, except for Hino Motors Sales (Malaysia) Sdn. Bhd. ("HMS") and Hino Motors Manufacturing (Malaysia) Sdn. Bhd. ("HMM") which have a financial year end of 31 March. For the purpose of applying the equity method of accounting, the share of results of associates are arrived at based on the latest management financial statements as of 31 December 2022.

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's latest financial statements prepared in accordance with MFRSs:

Perusahaan Otomobil Kedua Sdn. Bhd.	2022 RM'000	2021 RM'000
The Group		
Assets and liabilities		
Non-current assets	4,287,442	3,897,038
Current assets	2,153,031	1,931,444
Total assets	6,440,473	5,828,482
Non-current liabilities	75,257	55,834
Current liabilities	649,298	465,470
Total liabilities	724,555	521,304

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	1,619,629	1,553,874
Results		
Revenue	15,241,254	9,992,974
Profit for the year	748,193	604,326
Total comprehensive income for the year	751,320	604,582
Group's share of results of associate	187,048	151,082

The above profit for the year include the following (expenses)/income:

Depreciation and amortisation	(70,357)	(57,574)
Interest income	41,268	29,690
Interest expense	(4,670)	(3,988)
Income tax expense	(155,932)	(86,350)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the material associate recognised in the consolidated financial statements are as follows:

	2022 RM'000	2021 RM'000
Goodwill	6,022	6,022
Group's share of net assets	1,428,980	1,326,795
Group's carrying amount of interest in the material associate	1,435,002	1,332,817

23. HIRE PURCHASE RECEIVABLES

	The Group	
	2022 RM'000	2021 RM'000
Minimum hire-purchase receivables	1,022	1,022
Less: Allowance for expected credit losses	(1,022)	(1,022)
Net	-	-

The hire purchase receivables disclosed above are measured at amortised cost.

The Group has recognised an allowance for expected credit losses of RM1,022,000 (2021: RM1,022,000) against hire purchase receivables based on historical experience and assessment of recoverability of the receivables.

The Group has not accepted any new customer during the year since the Group ceased its provision of hire-purchase financing in prior years.

24. OTHER INVESTMENTS

	The Group	
	2022 RM'000	2021 RM'000
Unquoted shares	2,240	2,240
Club membership	40	40
	2,280	2,280

Investment in unquoted shares represent the 5.2% equity interest in Nagoya Automobile Malaysia Holding Sdn. Bhd., a company incorporated in Malaysia. In 2021, the Group has recognised fair value gain of RM418,000 in respect of investment in unquoted shares.

25. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2022 RM'000	2021 RM'000
At 1 January	(3,168)	(2,222)
Recognised in profit or loss (Note 12):		
Unused tax losses	-	(86)
Property, plant and equipment	838	(536)
Inventories	(173)	(192)
Trade receivables	(88)	41
Provision for retirement benefits	(139)	(49)
Provisions	1,702	(147)
Others	297	23
	2,437	(946)
At 31 December	(731)	(3,168)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for the statements of financial position purposes:

	The Group	
	2022 RM'000	2021 RM'000
Deferred tax assets	3,169	1,878
Deferred tax liabilities	(3,900)	(5,046)
	(731)	(3,168)

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects of the following:

	The Group	
	2022 RM'000	2021 RM'000
Deferred tax assets		
Temporary differences arising from:		
Property, plant and equipment	196	61
Inventories	205	378
Trade receivables	84	172
Provisions	4,382	2,680
Provision for retirement benefits	152	291
Others	560	263
	5,579	3,845
Offsetting	(2,410)	(1,967)
Deferred tax assets (after offsetting)	3,169	1,878
Deferred tax liabilities		
Temporary differences arising from:		
Property, plant and equipment	(6,310)	(7,013)
Offsetting	2,410	1,967
Deferred tax liabilities (after offsetting)	(3,900)	(5,046)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unabsorbed capital allowances which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilised. As of 31 December 2022, the estimated amount of deductible temporary differences, unused tax losses and unabsorbed capital allowances, for which the net deferred tax assets is not recognised in the financial statements of the Group due to uncertainty of realisation, is as follows:

	The Group	
	2022 RM'000	2021 RM'000
Unused tax losses	237,144	237,238
Unabsorbed capital allowances	96,501	96,617
Other temporary differences	8,290	4,283
	341,935	338,138

The comparative figures have been restated to reflect the revised unused tax losses, unused capital allowances and other temporary differences available to the Group.

The unused tax losses of the Group will expire as follows:

	The Group	
	2022 RM'000	2021 RM'000
Financial year ending 31 December		
2029	230,358	230,568
2030	6,417	6,417
2031	230	230
2032	90	23
2033	49	-
	237,144	237,238

The unabsorbed capital allowances and other temporary differences do not expire under the current tax legislation.

26. GOODWILL ON CONSOLIDATION

	The Group	
	2022 RM'000	2021 RM'000
At beginning and end of year	1,104	1,104

Impairment test for goodwill

Goodwill has been allocated to the Group's cash generating units ("CGUs") identified according to the particular business segment as follows:

	The Group	
	2022 RM'000	2021 RM'000
Manufacturing of automotive parts and components	436	436
Trading of motor vehicles, spare parts and other related activities	668	668
	1,104	1,104

The Group has concluded that no impairment of the above goodwill is needed in the current financial year as the operations have not deviated materially from that achieved in the previous financial year and any write down in goodwill, if necessary, to its recoverable amount is unlikely to be material to the Group's financial statements.

27. INVENTORIES

	The Group	
	2022 RM'000	2021 RM'000
Completed vehicles	89,111	67,187
Raw materials	9,776	13,781
Work in progress	919	858
Parts and consumables	13,380	9,741
Finished goods	3,518	3,572
	116,704	95,139
Less: Allowance for slow-moving inventories	(1,055)	(1,591)
	115,649	93,548

Movement in allowance for slow-moving inventories:

	2022 RM'000	2021 RM'000
At 1 January	1,591	2,800
Amount recognised during the year (Note 9)	618	533
Amount no longer required (Note 9)	(427)	(1,063)
Written off	(727)	(679)
At 31 December	1,055	1,591

Cost of inventories recognised as cost of sales of the Group amounted to RM2,035,515,000 (2021: RM1,335,169,000).

28. TRADE RECEIVABLES

	The Group	
	2022 RM'000	2021 RM'000
Trade receivables	180,918	141,498
Less: Allowance for expected credit losses	(2,277)	(2,612)
Net	178,641	138,886

Trade receivables disclosed above are classified as financial assets recognised at amortised cost.

The normal credit periods granted on sales of goods and completed properties range from 14 days to 120 days (2021: 14 days to 120 days). Other credit terms are assessed and approved on a case-by-case basis. The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Included in trade receivables of the Group is an amount of RM3,919,000 (2021: RM2,799,000) due from the associates of Perusahaan Otomobil Kedua Sdn. Bhd., an associate of the Group.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the financial year but against which the Group has not recognised an allowance for expected credit losses because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. None of the trade receivables that have been written off is subject to enforcement activities.

The table below is an analysis of trade receivables at the end of the reporting period:

	The Group Trade receivables – days past due						
	Not past due RM'000	< 30 RM'000	31 - 60 RM'000	61 - 90 RM'000	91 - 120 RM'000	> 120 RM'000	Total RM'000
2022							
Carrying amount	168,420	3,078	5,635	1,325	255	2,205	180,918
Lifetime ECL							(2,277)
							178,641
2021							
Carrying amount	132,539	3,074	2,204	1,204	375	2,102	141,498
Lifetime ECL							(2,612)
							138,886

The movements in the allowance for impairment losses of trade receivables during the financial year are as follows:

	The Group	
	2022 RM'000	2021 RM'000
Lifetime ECL (simplified approach):		
At 1 January	2,612	2,747
Impairment loss recognised during the year (Note 9)	140	263
Impairment loss written off	-	(355)
Impairment loss no longer required (Note 9)	(475)	(43)
At 31 December	2,277	2,612

In determining the recoverability of a trade receivable, the Group also considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

29. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deposits and advances paid	5,217	7,165	132	126
Prepaid expenses	4,791	3,793	15	16
Sundry receivables	10,432	10,791	54	37
	20,440	21,749	201	179
Less: Allowance for expected credit losses	(82)	(37)	(37)	(37)
	20,358	21,712	164	142

Movement in allowance for expected credit losses

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	37	37	37	37
Impairment loss recognised during the year (Note 9)	45	-	-	-
	82	37	37	37

Included in sundry receivables of the Group is an amount of RM4,349,000 (2021: RM648,000) due from associate of Perusahaan Otomobil Kedua Sdn. Bhd., an associate of the Group.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

30. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2022 RM'000	2021 RM'000
Interest free	3,245	67,823
Bearing interest at 3.5% (2021: 3.5%) per annum	-	90,358
	3,245	158,181
Less: Allowance for expected credit losses	(2,000)	(2,100)
	1,245	156,081

During the year, Oriental Metal Industries (M) Sdn. Bhd. ("OMI"), a wholly owned subsidiary of the Company has transferred and novated an amount owing from OMI Alloy (M) Sdn. Bhd. ("OMIA"), an indirect subsidiary of the Company of RM79,000,000, to the Company. The novated amount was then settled via issuance of an equivalent amount of Redeemable Convertible Preference Shares in OMIA as disclosed in Note 20.

Movement in allowance for expected credit losses

	The Company	
	2022 RM'000	2021 RM'000
At 1 January	2,100	12,134
Allowance no longer required (Note 9)	(100)	(10,034)
At 31 December	2,000	2,100

The amount owing by subsidiaries, which arose from non-trade transactions, is unsecured and repayable on demand.

31. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash on hand and at banks	90,179	104,789	3,157	23,212
Deposits with licensed banks	84,837	71,362	-	-
Short-term fund investments (redeemable upon 3 to 7 days notice)	109,748	84,789	88,919	64,596
Cash, bank balances and short-term fund investments	284,764	260,940	92,076	87,808
Less:				
Bank overdrafts (Note 35)	-	(4,338)	-	-
Deposits with maturities in excess of three months	(62)	(11,362)	-	-
Cash and cash equivalents	284,702	245,240	92,076	87,808

The effective interest rates of deposits with licensed banks and short-term fund investments of the Group and of the Company at the end of the reporting period range from 1.47% to 3.93% (2021: 0.85% to 3.40%) per annum and 1.47% to 3.59% (2021: 0.29% to 2.40%) per annum respectively.

The average maturities of deposits with licensed banks and short-term fund investments of the Group and of the Company at the end of the reporting period range from 1 day to 365 days (2021: 1 day to 365 days) and 3 days to 7 days (2021: 3 days to 7 days) respectively.

Analysis of currency profile of cash and bank balances and short-term fund investments is as follows:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Ringgit Malaysia	284,591	260,869	92,076	87,808
United States Dollar	158	66	-	-
Japanese Yen	15	1	-	-
Euro	-	4	-	-
	284,764	260,940	92,076	87,808

32. ASSETS CLASSIFIED AS HELD FOR SALE

On 31 May 2019, OMI Alloy (M) Sdn. Bhd. ("OMIA"), an indirect subsidiary of the Company, ceased its operation in the manufacturing and trading of alloy wheels. With the closure of the operation, OMIA and its immediate holding company, Oriental Metal Industries (M) Sdn. Bhd. ("OMI") resolved to dispose its alloy wheel plant, related machineries and equipment, land and building. The Group had since commenced negotiations with several interested parties. Accordingly, the said assets had been reclassified as held for sale in 2019.

During the year, the Group has completed the disposal of its alloy wheel plants, related machineries and equipment, land and building which were earlier classified as assets held for sales, for a total consideration of RM75,416,000, as disclosed in Note 44(i)(a) and (b).

On 21 November 2022, the Group entered into a Sale and Purchase Agreement with a third party for the disposal of freehold land located at Bandar Sri Sendayan, Negeri Sembilan, for a total consideration of RM49,431,000. As of the financial year end, the sale has yet to be completed as the condition precedent has not been satisfied. Accordingly, the freehold land which was classified as investment properties in previous year has been reclassified as assets held for sale.

The breakdown of the assets held for sale is as follows:

		The Group	
		2022 RM'000	2021 RM'000
At 1 January		30,645	30,645
Disposal		(30,645)	-
Transfer from investment properties (Note 18)		20,128	-
At 31 December		20,128	30,645
Assets classified as held for sale			
Prepaid land lease payments	(a)	-	3,389
Property, plant and equipment:			
Factory building	(a)	-	26,237
Plant and related equipment	(b)	-	1,019
Freehold land	(a)	20,128	-
		20,128	30,645

(a) The fair value less cost to sale is expected to substantially exceed the carrying amount of the land and building and accordingly no impairment loss has been recognised.

(b) The plant and its related equipment had been carried at the lower of carrying amounts or fair value less costs to sell. In prior years, the Group recognised a cumulative impairment loss of RM70,020,000.

In determining the fair value less costs to sell of the plant and its related equipment, the Group has used level 3 inputs. The major inputs used for the purpose of determining the fair value are as follows:

(i) **Special fabricated machineries**

For special fabricated machineries and related equipment - value has been determined based on metal scrap value multiplied by the weight of the related machineries. In 2021, the value of scrap at RM1.05/kg has been considered based on inputs from scrap dealers for similar metal and quantities.

(ii) **Standard machineries**

Given the challenging economic condition caused by the pandemic and the prolonged closure of the national borders to control the spread of Covid-19 virus which has restricted the ability of the potential buyers to carry out a physical inspection of the machineries, the sale of the standard machineries has been delayed. Considering the uncertainties, management has changed the basis of valuation of the standard machineries in 2020 and the fair value less cost to sell in 2021 was determined based on scrap value at RM1.05/kg.

33. SHARE CAPITAL

	The Group and The Company	
	Number of Shares '000	Amount RM'000
Issued and fully paid up shares with no par value classified as equity instrument:		
As of 1 January 2021/31 December 2021/1 January 2022/31 December 2022	390,887	391,651

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. Ordinary shares of the Company have no par value.

34. RESERVES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-distributable:				
Fair value reserve	3,762	2,995	-	-
Foreign currency translation reserve	(1)	(58)	-	-
Distributable:				
Retained earnings	1,659,124	1,523,401	340,469	329,700
	1,662,885	1,526,338	340,469	329,700

(a) **Fair value reserve**

The fair value reserve represents fair value change of equity investment designated at fair value through other comprehensive income in an associate.

(b) **Foreign currency translation reserve**

Foreign currency translation reserve represents exchange difference arising from the translation of the financial statements of the Group's foreign associates whose functional currencies are different from that of the Group's presentation currency.

(c) **Retained earnings**

At the end of the reporting period, the entire retained earnings of the Company is available for distribution as dividends under the single-tier income tax system.

35. BORROWINGS

	The Group	
	2022 RM'000	2021 RM'000
Current - at amortised cost		
Secured:		
Term loans	-	124
Bankers' acceptances and trust receipt	-	18,864
Bank overdrafts (Note 31)	-	4,338
	-	23,326

(a) The secured bank borrowings are secured by the following:

(i) first legal charge on freehold land and buildings of certain subsidiaries as disclosed in Note 16; and

(ii) a deed of assignment over freehold land owned by a subsidiary as disclosed in Note 16.

(b) The average effective interest rates per annum of the borrowings are as follows:

	The Group	
	2022 %	2021 %
Term loans	3.5	3.5
Bankers' acceptances and trust receipt	2.0	2.0
Bank overdrafts	4.2	3.2

(c) Reconciliation of liabilities arising from financing activities

The table below details the changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities.

	Borrowings (excluding bank overdrafts) RM'000	Lease liabilities (Note 37) RM'000
2022		
The Group		
At beginning of year	18,988	2,165
Non-cash changes	-	5,042
Finance costs	469	198
Financing cash flows^	(19,457)	(3,670)
At end of year	-	3,735

	Borrowings (excluding bank overdrafts) RM'000	Lease liabilities (Note 37) RM'000
2021		
The Group		
At beginning of year	927	3,922
Non-cash changes	-	369
Finance costs	390	147
Financing cash flows^	17,671	(2,273)
At end of year	18,988	2,165

	Lease liabilities (Note 37) RM'000
2022	
The Company	
At beginning of year	359
Non-cash changes	1,346
Finance cost	10
Financing cash flows^	(368)
At end of year	1,347
2021	
The Company	
At beginning of year	700
Finance cost	27
Financing cash flows^	(368)
At end of year	359

^ The cash flows from borrowings and lease liabilities make up the net amount of proceeds from borrowings and repayments of borrowings, lease liabilities and finance costs paid in the statements of cash flows.

36. RETIREMENT BENEFITS OBLIGATION

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	2,609	2,794	1,400	1,400
Defined benefit plans (Note 10)	889	1,147	-	-
Contribution paid during the year	(1,386)	(1,332)	-	-
At 31 December	2,112	2,609	1,400	1,400

Daihatsu Group operates a funded, defined Retirement Benefit Scheme ("Scheme") for its eligible employees. Contributions to the Scheme are made to a separately administered fund. The Company operates an unfunded scheme for the eligible employees and directors. Under both Schemes, eligible employees are entitled to retirement benefits of final salary on attainment of the retirement age of 55.

Provision for retirement benefits is made based on an actuarial valuation carried out periodically using the Projected Unit Credit Method. The latest actuarial valuation was undertaken on 26 January 2023.

The amounts recognised in the statements of financial position are determined as follows:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Provision for unfunded retirement gratuity	1,400	1,400	1,400	1,400
Present value of funded defined benefit obligations	11,346	10,130	-	-
Fair value of plan assets	(10,634)	(8,921)	-	-
	712	1,209	-	-
Total	2,112	2,609	1,400	1,400

The amounts recognised in the profit or loss are as follows:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Defined benefit plans				
Current service cost	826	1,075	-	-
Net interest cost	63	72	-	-
Total, included in employee benefits expense (Note 10)	889	1,147	-	-

The principal actuarial assumptions used are as follows:

	The Group	
	2022 %	2021 %
Discount rate	5.20	5.20
Average salary increase	5.00	5.00

37. LEASE LIABILITIES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
As at 1 January	2,165	3,922	359	700
Addition	5,042	418	1,346	-
Finance costs (Note 7)	198	147	10	27
Derecognition	-	(3)	-	-
Rental rebate (Note 9)	-	(46)	-	-
Payment of lease rental	(3,670)	(2,273)	(368)	(368)
As at 31 December	3,735	2,165	1,347	359

The minimum lease payments for the lease liabilities are payable as follows:

	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
2022			
The Group			
Less than one year	2,513	(117)	2,396
Between one and two years	1,221	(37)	1,184
Between two and five years	161	(6)	155
	3,895	(160)	3,735
The Company			
Less than one year	396	(54)	342
Between one and two years	370	(40)	330
Between two and five years	708	(33)	675
	1,474	(127)	1,347
2021			
The Group			
Less than one year	1,518	(62)	1,456
Between one and two years	444	(25)	419
Between two and five years	306	(16)	290
	2,268	(103)	2,165
The Company			
Less than one year	368	(9)	359

38. TRADE PAYABLES

The normal trade credit terms granted to the Group by trade payables ranges from 2 days to 90 days (2021: 2 days to 90 days).

Included in trade payables of the Group are amounts of RM7,154,000 (2021: RM3,725,000) and RM4,547,000 (2021: RM4,145,000) due to a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. and Hino Motors Sales (Malaysia) Sdn. Bhd. respectively, associates of the Group.

Analysis of currency exposure profile of trade payables is as follows:

	The Group	
	2022 RM'000	2021 RM'000
Ringgit Malaysia	115,528	89,379
United States Dollar	841	622
	116,369	90,001

39. OTHER PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Sundry payables	13,727	13,612	4	20
Accruals	28,373	17,698	1,737	924
Accruals for dealers and salesmen incentives	7,925	6,668	-	-
Deposits received from customers	4,841	10,007	-	-
	54,866	47,985	1,741	944

40. AMOUNT OWING TO A SUBSIDIARY AND HOLDING COMPANY

The amount owing to a subsidiary arose mainly from payment made on behalf which is unsecured, interest-free and repayable on demand.

The amount owing to holding company arose mainly from payment made on behalf which is unsecured, interest-free and repayable on demand.

41. RELATED PARTY TRANSACTIONS

The immediate and ultimate holding company of the Company is Med-Bumikar Mara Sdn. Bhd., a company incorporated in Malaysia.

Related parties and the relationships are described as follows:

Related Parties	Nature of Relationship
Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	Perodua is an associate of the Company
Hino Motors Sales (Malaysia) Sdn. Bhd. ("HMS")	HMS is an associate of the Company
Hino Motors Manufacturing (Malaysia) Sdn. Bhd. ("HMM")	HMM is an associate of the Company
Mitsui & Co Ltd. ("Mitsui")	Mitsui is a corporate shareholder of a subsidiary of the Company
Daihatsu Motor Co Ltd. ("DMC")	DMC is a corporate shareholder of a subsidiary of the Company

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company have the following transactions with related parties during the financial year, which were determined based on negotiated terms agreed between the parties:

	The Group	
	2022 RM'000	2021 RM'000
Purchases from a subsidiary of Perodua	1,188,717	751,665
Purchases from HMS	36,605	22,099
Purchases from DMC	2,033	1,323
Freight charges payable to DMC	46	85
Royalty fees payable to DMC	8	11
Sales to Perodua, its subsidiaries and associates	(37,353)	(25,169)
Sales of land and factory building to a subsidiary of Perodua	(61,000)	-
Sales to HMM	(1,237)	(825)

	The Company	
	2022 RM'000	2021 RM'000
Dividends from:		
Subsidiaries (Note 5)	(62,703)	(47,573)
Associates (Note 5)	(70,805)	(55,205)
Management fee receivable from subsidiaries (Note 5)	(235)	(224)
Interest income on advances to subsidiaries (Note 8)	(690)	(2,840)

(b) Compensation of key management personnel is as follows:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short-term employee benefits	3,830	3,087	2,275	1,785
Employees Provident Fund	432	274	289	274
Total compensation of key management personnel	4,262	3,361	2,564	2,059
Consists of amount paid to:				
Executive directors of subsidiaries (Note 11)	952	1,077	-	-
	952	1,077	-	-

42. CAPITAL COMMITMENTS

As of 31 December 2022, the Group has the following capital commitments in respect of the acquisition of property, plant and equipment:

	The Group	
	2022 RM'000	2021 RM'000
Approved and contracted for	16,581	9,502
Approved but not contracted for	17,449	22,549

43. OPERATING LEASE COMMITMENTS

Non-cancellable operating lease commitments – as lessor

	The Group	
	2022 RM'000	2021 RM'000
Future minimum rentals receivable		
Not later than 1 year	1,280	897
More than 1 year and less than 2 years	1,292	212
More than 2 years and less than 5 years	-	30
	2,572	1,139

44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) In respect of assets classified as held for sale:

(a) During the year, the disposal of a piece of leasehold land with factory building located at Bandar Serendah, Selangor has been completed for a total consideration of RM61,000,000. The Group's gain on disposal of the land and building is approximately RM31,374,000.

(b) During the year, the plant and machineries classified as held for sale have been sold for a total consideration of RM14,416,000. The Group's gain on disposal of the plant and machineries is approximately RM13,397,000.

(c) During the year, the Group entered into a Sale and Purchase Agreement with a third party for the disposal of a piece of freehold land located at Bandar Sri Sendayan, Negeri Sembilan for a total consideration of RM49,431,000. As of 31 December 2022, the condition precedent has not been satisfied as consent to transfer was pending from the State Authority.

(ii) On 28 February 2022, MBMR Properties Sdn Bhd ("MPSB"), a wholly owned subsidiary of the Company issued 65,000,000 Redeemable Convertible Preference Shares ("RCPS") at an issue price of RM1.00 each by way of offsetting an equivalent amount owing by MPSB to the Company. These RCPS were fully subscribed by the Company.

(iii) On 31 March 2022, OMI Alloy (M) Sdn. Bhd. ("OMIA"), an indirect subsidiary of the Company issued 79,000,000 RCPS at an issue price of RM1.00 each by way of offsetting an equivalent amount owing by OMIA to the Company. These RCPS were fully subscribed by the Company.

45. SEGMENT INFORMATION

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.

Information regarding the Group's reportable segments is presented below.

2022	Motor trading RM'000	Auto parts manufacturing Continuing RM'000	Auto parts manufacturing Discontinued RM'000	All others RM'000	The Group RM'000
Revenue from external customers	1,989,264	316,108	-	2,241	2,307,613
Operating profit/(loss) for reportable segments	62,348	48,739	12,936	(6,115)	117,908
Share of results of a joint venture	-	15,978	-	-	15,978
Share of results of associates	190,707	7,616	-	-	198,323
Finance costs	(367)	(300)	-	-	(667)
Interest income	2,390	1,108	34	1,244	4,776
Income tax expense	(18,938)	(6,497)	(4)	(810)	(26,249)
Depreciation and amortisation	(10,574)	(6,432)	-	(1,699)	(18,705)
Other significant non-cash items:					
Property, plant and equipment written off	(28)	-	-	-	(28)
Allowance for slow-moving inventories	(347)	(271)	-	-	(618)
Allowance for slow-moving inventories no longer required	427	-	-	-	427
Allowance for expected credit losses	(140)	-	-	(45)	(185)
Allowance for expected credit losses no longer required	475	-	-	-	475
Capital expenditure	1,770	13,238	-	13	15,021
Segment assets	544,365	190,991	1,278	178,196	914,830
Investment in a joint venture	-	65,266	-	22,899	88,165
Investment in associates	1,459,583	66,013	-	-	1,525,596
Segment liabilities	(119,338)	(61,678)	(78)	(5,767)	(186,861)

2021	Motor trading RM'000	Auto parts manufacturing Continuing RM'000	Auto parts manufacturing Discontinued RM'000	All others RM'000	The Group RM'000
Revenue from external customers	1,319,859	206,611	-	2,194	1,528,664
Operating profit/(loss) 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
Finance costs	(271)	(266)	-	-	(537)
Interest income	2,188	317	6	1,179	3,690
Income tax expense	(11,702)	(2,530)	(6)	(949)	(15,187)
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 expected credit losses	(263)	-	-	-	(263)
Allowance for expected credit losses no longer required	43	-	-	-	43
Allowance for slow-moving inventories	(405)	(128)	-	-	(533)
Allowance for slow-moving inventories no longer required	1,063	-	-	-	1,063
Capital expenditure	5,690	3,231	-	45	8,966
Segment assets	520,063	164,160	2,277	175,629	862,129
Investment in a joint venture	-	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)

Reconciliations of reportable operating segment revenue, profit or loss, assets and liabilities are as follows:

	The Group	
	2022 RM'000	**2021 RM'000**
Revenue		
Total revenue for the Group's reportable segments	2,305,372	1,526,470
All others	2,241	2,194
Revenue from continuing operations, as reported	2,307,613	1,528,664
Profit or loss		
Total profit for the Group's reportable segments, including finance costs and interest income	126,888	52,631
All others	(4,871)	(5,840)
Share of results of a joint venture	15,978	11,096
Share of results of associates	198,323	152,791
Elimination of (profit)/loss from discontinued operation	(12,970)	154
Profit before tax from continuing operations, as reported	323,348	210,832
Assets		
Total assets for the Group's reportable segments	736,634	686,500
All others	178,196	175,629
Investment in a joint venture	88,165	82,387
Investment in associates	1,525,596	1,416,521
Total assets, as reported	2,528,591	2,361,037
Liabilities		
Total liabilities for the Group's reportable segments	181,094	165,953
All others	5,767	6,822
Total liabilities, as reported	186,861	172,775

No analysis of geographical segments is presented as the Group operates principally in Malaysia.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire property, plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of account payables and accruals.

Investment in associates and a joint venture: Income from associates and joint venture are allocated as they are specifically attributable to business segments, and correspondingly investment in associates and joint venture is included as segment assets of the Group.

46. FINANCIAL RISK MANAGEMENT

Capital Risk Management

The objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Group's overall strategy remains unchanged since 2021.

The capital structure of the Group consists of debts and equity.

The Group reviews the capital structure on a regular basis. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital.

Gearing Ratio

The gearing ratio at end of the reporting period was as follows:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Debts	3,735	25,491	1,347	359
Equity	2,341,730	2,188,262	732,120	721,351
Debt to equity ratio	0.16%	1.16%	0.18%	0.05%

Debts are defined as borrowings and lease liabilities as disclosed in Notes 35 and 37 respectively.

Equity includes capital, reserves and non-controlling interests.

Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 3.

Classes and Categories of Financial Instruments

2022	Carrying amount				Fair value		
	Financial assets		Financial liabilities		Level		
	FVTPL designated RM'000	Amortised cost RM'000	Amortised cost RM'000	Total RM'000	1 RM'000	2 RM'000	3 RM'000
Group							
Other investments	2,280	-	-	2,280	-	-	2,280*
Trade receivables	-	178,641	-	178,641			
Other receivables	-	15,567	-	15,567			
Cash, bank balances and short-term fund investments	109,748	175,016	-	284,764	109,784	-	-
Trade payables	-	-	116,369	116,369			
Other payables and accrued expenses	-	-	50,025	50,025			
Lease liabilities	-	-	3,735	3,735			
Amount owing to holding company	-	-	34	34			

* Cost of investment in unquoted equity shares has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

2021	Carrying amount				Fair value		
	Financial assets		Financial liabilities		Level		
	FVTPL designated RM'000	Amortised cost RM'000	Amortised cost RM'000	Total RM'000	1 RM'000	2 RM'000	3 RM'000
Group							
Other investments	2,280	-	-	2,280	-	-	2,280*
Trade receivables	-	138,886	-	138,886			
Other receivables	-	17,919	-	17,919			
Cash, bank balances and short-term fund investments	84,789	176,151	-	260,940	84,789	-	-
Trade payables	-	-	90,001	90,001			
Other payables and accrued expenses	-	-	37,978	37,978			
Borrowings	-	-	23,326	23,326			
Lease liabilities	-	-	2,165	2,165			
Amount owing to holding company	-	-	61	61			

* Cost of investment in unquoted equity shares has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

2022	Carrying amount: Financial assets FVTPL designated RM'000	Carrying amount: Financial assets Amortised cost RM'000	Carrying amount: Financial liabilities Amortised cost RM'000	Carrying amount: Total RM'000	Fair value: Level 1 RM'000	Fair value: Level 2 RM'000	Fair value: Level 3 RM'000
Company							
Other receivables	-	149	-	149			
Amount owing by subsidiaries	-	1,245	-	1,245			
Cash, bank balances and short-term fund investments	88,919	3,157	-	92,076	88,919	-	-
Other payables and accrued expenses	-	-	1,741	1,741			
Lease liabilities	-	-	1,347	1,347			
Amount owing to a subsidiary company	-	-	649	649			
Amount owing to holding company	-	-	34	34			

2021	Carrying amount: Financial assets FVTPL designated RM'000	Carrying amount: Financial assets Amortised cost RM'000	Carrying amount: Financial liabilities Amortised cost RM'000	Carrying amount: Total RM'000	Fair value: Level 1 RM'000	Fair value: Level 2 RM'000	Fair value: Level 3 RM'000
Company							
Other receivables	-	126	-	126			
Amount owing by subsidiaries	-	156,081	-	156,081			
Cash, bank balances and short-term fund investments	64,596	23,212	-	87,808	64,596	-	-
Other payables and accrued expenses	-	-	944	944			
Lease liabilities	-	-	359	359			
Amount owing to a subsidiary company	-	-	635	635			
Amount owing to holding company	-	-	61	61			

Financial Risk Management Objectives and Policies

The operations of the Group are subject to a variety of financial risks, including foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's principal objective in managing financial risk management is to minimise the Group's exposure to these risks below a risk tolerance level approved by the Board and/or costs associated with the financing, investing and operating activities.

Various risk management policies are formulated and approved by the Board of Directors for observation in the day-to-day operations for controlling and managing the risks associated with financial instruments.

Foreign Exchange Risk Management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuation arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are disclosed in the respective notes.

Foreign currency sensitivity analysis

The Group is mainly exposed to the United States dollar.

The following table details the Group's sensitivity to a 10% increase and decrease in the Ringgit Malaysia against the relevant foreign currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates a gain in the profit or loss where the Ringgit Malaysia strengthens 10% against the relevant currency. For a 10% weakening of the Ringgit Malaysia against the relevant currency, there would be a comparable impact on the profit or loss, the balances below would be negative.

	The Group	
	2022 RM'000	2021 RM'000
United States dollar	68	56

The Group's sensitivity to foreign currency is mainly attributable to the exposure of cash and bank balances and outstanding payables, which are denominated in foreign currencies at the end of the reporting period.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the year end exposure does not reflect the exposure during the financial year.

Credit Risk Management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk mainly from trade receivables and other receivables.

The Group extends credit to its customers based upon careful evaluation of the customers' financial condition and credit history. The Group also ensures as far as practicable a large number of customers so as to limit high credit concentration in a customer or customers from a particular market.

The Group's exposure to credit risk in relation to its trade and other receivables, should all its customers fail to perform their obligations as of 31 December 2022, is the carrying amount of these receivables as disclosed in statements of financial position.

The Group places its short-term deposits with credit worthy institutions. The carrying amount of financial assets in the financial statements, net of any provision of losses, represents the Group's maximum exposure to credit risk without taking into account the value of any collateral or other security obtained.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics at the end of the reporting period. The Group defines counterparties having similar characteristics if they are related entities.

Interest Rate Risk Management

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing fixed deposits and short-term borrowings. The Group has in place prudent investment policies whereby excess funds are only invested in repurchase agreements or placed as fixed deposits with reputable commercial banks. The Group does not at anytime make placements in non-guaranteed, fluctuating, commercial papers and the like.

The Group's exposures to interest rates on financial liabilities are detailed below. The sensitivity analyses below have been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year. A 100 basis point increase or decrease in the interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2022 would be increased/decreased by the following amounts:

	The Group	
	2022 RM'000	2021 RM'000
Increase/Decrease in interest income on bank deposits	1,126	1,301
Increase/Decrease in interest expense on:		
Term loans	-	12
Bankers' acceptances	70	5
Bank overdrafts	52	78
	122	95
	1,004	1,206

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the liquidity analysis for its financial liabilities based on the contractual maturity of these financial instruments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest contractual date on which the Group can be required to pay.

When the amount payable is not fixed, the amount disclosed has been determined by reference to the fair value as of the end of the reporting period.

The Group	Weighted average rate per annum %	Less than 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2022						
Financial liabilities						
Non-interest bearing:						
Trade payables		116,369	-	-	-	116,369
Other payables and accrued expenses		50,025	-	-	-	50,025
Amount owing to holding company		34	-	-	-	34
		166,428	-	-	-	166,428
Interest bearing:						
Lease liabilities	4.5 - 5.0	2,513	1,221	161	-	3,895
		168,941	1,221	161	-	170,323
Financial guarantee contracts		-	-	-	-	-
2021						
Financial liabilities						
Non-interest bearing:						
Trade payables		90,001	-	-	-	90,001
Other payables and accrued expenses		37,978	-	-	-	37,978
Amount owing to holding company		61	-	-	-	61
		128,040	-	-	-	128,040
Interest bearing:						
Term loans	3.5	124	-	-	-	124
Bankers' acceptances and trust receipt	2.0	19,238	-	-	-	19,238
Bank overdrafts	3.2	4,476	-	-	-	4,476
Lease liabilities	4.8 - 5.0	1,518	444	306	-	2,268
		25,356	444	306	-	26,106
		153,396	444	306	-	154,146
Financial guarantee contracts		-	-	-	-	-

The Company	Weighted average rate per annum %	Less than 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Total RM'000
2022					
Financial liabilities					
Non-interest bearing:					
Other payables and accrued expenses		1,741	-	-	1,741
Amount owing to a subsidiary company		649	-	-	649
Amount owing to holding company		34	-	-	34
		2,424	-	-	2,424
Interest bearing:					
Lease liabilities	4.5	396	370	708	1,474
		2,820	370	708	3,898
Financial guarantee contracts		-	-	-	-
2021					
Financial liabilities					
Non-interest bearing:					
Other payables and accrued expenses		944	-	-	944
Amount owing to a subsidiary company		635	-	-	635
Amount owing to holding company		61	-	-	61
		1,640	-	-	1,640
Interest bearing:					
Lease liabilities	5.0	368	-	-	368
		2,008	-	-	2,008
Financial guarantee contracts		655	-	-	655

Financial Guarantee Contracts

Corporate guarantees are provided by the Group and the Company to a financial institution and a supplier for a joint venture and a subsidiary respectively. The directors are of the opinion that the corporate guarantees are not likely to be called upon and regard the value of the credit enhancement provided by the corporate guarantees as minimal.

The maximum exposure of the Group and the Company to credit risk in relation to the financial corporate guarantees given amount to RMNil (2021: RMNil) and RMNil (2021: RM655,000) respectively as at the end of the reporting period representing the outstanding banking facility of the joint venture and payable balance to a supplier of the subsidiary as at the end of financial year.

Fair Values

The directors consider that the carrying amounts of the current financial assets and financial liabilities of the Group and the Company at the end of the reporting period approximate their fair values due to the relatively short-term maturities of these financial instruments.

The fair value of long-term liabilities is estimated by discounting the expected future cash flows using the current interest rates for borrowing with similar risk profiles. There is no material difference between the carrying amounts and the estimated fair values of long-term liabilities.

Other investment includes investment in unquoted equity shares. The cost of these equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

47. SUBSIDIARIES

Direct Subsidiaries	Country of Incorporation	Proportion of ownership interest and voting rights 2022 %	2021 %	Principal Activities
Daihatsu (Malaysia) Sdn. Bhd.	Malaysia	51.5	51.5	Marketing and distribution of motor vehicles, spare parts and provision of related motor repair services
Galaxy Waves Sdn. Bhd.	Malaysia	100	100	Investment holding
Summit Vehicles Body Works Sdn. Bhd. #	Malaysia	100	100	Non-operating
Oriental Extrusions Sdn. Bhd.	Malaysia	100	100	Investment holding
MBMR Properties Sdn. Bhd.	Malaysia	100	100	Investment holding
Inai Benua Sdn. Bhd.	Malaysia	70	70	Property development
Menara MBMR Holdings Sdn. Bhd. @	Malaysia	-	70	Property management and maintenance of Menara MBMR
Hirotako Holdings Berhad**	Malaysia	99.9	99.9	Investment holding and the provision of management services
F.A. Trucks Sdn. Bhd.	Malaysia	100	100	Marketing and distribution of motor vehicles, spare parts and provision of related motor repair services. Ceased operation in 2019

Indirect Subsidiaries	Country of Incorporation	Proportion of ownership interest and voting rights 2022 %	2021 %	Principal Activities
DMM Engineering Sdn. Bhd.	Malaysia	51.5	51.5	Repair and touching-up, construction of vehicles body parts for sale, providing handling and accessories installation services to its related companies, distribution of spare parts and provision of insurance services
DMM Sales Sdn. Bhd.	Malaysia	51.5	51.5	Marketing and distribution of motor vehicles, related spare parts and other related activities
DMM Credit Sdn. Bhd.	Malaysia	51.5	51.5	Provision of hire purchase financing. Inactive as of year end
DMM Assembly Services Sdn. Bhd.	Malaysia	51.5	51.5	Provision of insurance services
Federal Auto Holdings Berhad	Malaysia	100	100	Investment holding, letting, maintenance and management of properties and provision of management services
Federal Auto Cars Sdn. Bhd.	Malaysia	100	100	Trading of motor vehicles and spare parts and providing ancillary services
F.A. Wagen Sdn. Bhd.	Malaysia	100	100	Trading of motor vehicles and spare parts and providing ancillary services
F.A. Automobiles (Ipoh) Sdn. Bhd.	Malaysia	100	100	Trading of motor vehicles and spare parts and providing ancillary services. Ceased operation in 2019
FAST Sdn. Bhd.	Malaysia	100	100	Trading of motor vehicle accessories
Kinabalu Motor Assembly Sendirian Berhad	Malaysia	70	70	Trading of motor vehicles. In 2017, the Company ceased its operation
KMA Marketing Sdn. Bhd.	Malaysia	70	70	Trading of motor vehicles and spare parts and providing ancillary services. In 2017, the Company ceased its operation
F.A. Serve Sdn. Bhd.	Malaysia	100	100	Operating petrol station and providing workshop services
F.A. Leasing and Credit Sdn. Bhd.	Malaysia	100	100	Non-operating
F.A. Autoprima Sdn. Bhd.	Malaysia	100	100	Providing lease financing and provision of insurance services
F.A. Autosoft Sdn. Bhd.	Malaysia	100	100	Non-operating

Indirect Subsidiaries	Country of Incorporation	Proportion of ownership interest and voting rights 2022 %	2021 %	Principal Activities
Oriental Metal Industries (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing of steel wheel rims for motor vehicles and related activities
OMI Alloy (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing of alloy wheels for motor vehicles and related activities. In 2019, the Company ceased its operation
Hirotako Acoustics Sdn. Bhd.**	Malaysia	99.9	99.9	Manufacture and sale of noise and heat reduction material as well as insulator parts for motor vehicles
PC Ventures Sdn. Bhd.*	Malaysia	99.9	99.9	Investment holding
Hirotako Technologies Sdn. Bhd. ^	Malaysia	-	99.9	Dormant

* Audited by a firm other than Deloitte PLT.
** Audited by Deloitte PLT in 2022 (2021: other than Deloitte).
# In the process of member's voluntary liquidation.
@ Menara MBMR Holdings Sdn. Bhd. had been dissolved by Members' Voluntary Winding-up on 11 April 2022.
^ Hirotako Technologies Sdn. Bhd. had been dissolved by Members' Voluntary Winding-up on 9 August 2022.

48. JOINT VENTURES

Name of Company	Country of Incorporation	Proportion of ownership interest and voting rights 2022 %	2021 %	Principal Activities
Autoliv Hirotako Sdn. Bhd.**	Malaysia	51	51	Investment holding
Autoliv Hirotako Safety Sdn. Bhd.**	Malaysia	51	51	Manufacture and sale of seat belts for motor vehicles
Autoliv Hirotako SRS Sdn. Bhd.**	Malaysia	51	51	Manufacture and sale of car airbag modules and steering wheels

** Audited by Deloitte PLT in 2022 (2021: other than Deloitte).

49. ASSOCIATES

Name of Company	Country of Incorporation	Proportion of ownership interest and voting rights 2022 %	2021 %	Principal Activities
Perusahaan Otomobil Kedua Sdn. Bhd.*	Malaysia	22.6	22.6	Investment holding, provision for management and administration services, marketing and distribution of motor vehicles and related spare parts
Hino Motors Sales (Malaysia) Sdn. Bhd.*	Malaysia	20	20	Marketing and servicing of commercial vehicles and related spare parts
Hino Motors Manufacturing (Malaysia) Sdn. Bhd.*	Malaysia	20	20	Assemble, manufacturing and distribution trucks and buses of Hino Motors brand
Teck See Plastic Sdn. Bhd.*	Malaysia	22.1	22.1	Manufacture and distribution of plastic articles and products

* Audited by a firm other than Deloitte PLT.

MBM RESOURCES BERHAD
[Registration No. 199301029757 (284496-V)]
(Incorporated in Malaysia)

NOTICE OF TWENTY-NINTH (29TH) ANNUAL GENERAL MEETING

NOTICE IS GIVEN that the Twenty-Ninth (29th) Annual General Meeting ("AGM") of the Company will be held virtually through live streaming from the broadcast venue at 23-01, Level 23, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur ("Broadcast Venue") on Thursday, 1 June 2023 at 2.00 p.m. to transact the following businesses:-

AGENDA

Ordinary Business

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.	**(Please refer to Note 1 of the Explanatory Notes on Ordinary Business**
2.	To re-elect Mr Low Hin Choong, who retires pursuant to Clause 76(3) of the Company's Constitution as Director of the Company.	**(Resolution 1)**
3.	To re-elect Dato' Anwar bin Haji @ Aji, who retires pursuant to Clause 76(3) of the Company's Constitution as Director of the Company.	**(Resolution 2)**
4.	To re-elect Encik Aqil bin Ahmad Azizuddin, who retires pursuant to Clause 78 of the Company's Constitution as Director of the Company.	**(Resolution 3)**
5.	To re-elect Dato' Zulfikri bin Osman, who retires pursuant to Clause 78 of the Company's Constitution as Director of the Company.	**(Resolution 4)**
6.	To re-elect Puan Nik Fazila binti Nik Mohamed Shihabuddin, who retires pursuant to Clause 78 of the Company's Constitution as Director of the Company.	**(Resolution 5)**
7.	To declare a single tier final dividend of 6.0 sen per ordinary share for the financial year ended 31 December 2022.	**(Resolution 6)**
8.	To approve the payment of Directors' fees of up to RM800,000 and Directors' benefits of up to RM700,000 for the period from this 29th Annual General Meeting until the next Annual General Meeting of the Company.	**(Resolution 7)**
9.	To approve the payment of meeting attendance allowance of RM1,500.00 per meeting for each Non-Executive Director for the period from this 29th Annual General Meeting until the next Annual General Meeting of the Company.	**(Resolution 8)**
10.	To re-appoint Messrs Deloitte PLT as Auditors of the Company for the financial year 2023 and to authorise the Directors of the Company to fix their remuneration.	**(Resolution 9)**

Special Business

To consider and if thought fit, pass the following resolutions, with or without modifications, as Ordinary Resolutions of the Company:-

11. **ORDINARY RESOLUTION** **(Resolution 10)**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

i. the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
ii. the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-

a. the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution is passed, at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
b. the expiration of the period within which the next AGM of the Company is required by law to be held; or
c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:-

i. To cancel all or part of the Purchased Shares;
ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
iv. To resell all or part of the treasury shares;
v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
vi. To transfer all or part of the treasury shares as purchase consideration;

vii. To sell, transfer or otherwise use the treasury shares for such other purposes as the Minister charged with responsibility for companies may by order prescribe; and/or

viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

12. **ORDINARY RESOLUTION** **(Resolution 11)**

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 1.3 of Part B of the Statement/Circular to Shareholders dated 28 April 2023 ("the Related Parties") provided that such transactions are:-

(a) necessary for the day-to-day operations;

(b) undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and

(c) are not to the detriment of the minority shareholders of the Company,

("Proposed Renewal of RRPT Mandate").

THAT such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Proposed Renewal of RRPT Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or

(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(c) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of RRPT Mandate."

13. To consider any other business of which due notice shall be given in accordance with the Companies Act 2016.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the 29th Annual General Meeting to be held on 1 June 2023, a single tier final dividend of 6.0 sen per ordinary share in respect of the financial year ended 31 December 2022 will be paid on 30 June 2023 to shareholders whose names appear in the Record of Depositors on 19 June 2023.

A depositor shall qualify for entitlement to the dividend only in respect of:-

a) shares transferred to the depositor's securities account before 4.30 p.m. on 19 June 2023 in respect of transfers; and

b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board
WONG PEIR CHYUN (MAICSA 7018710)
(SSM PC No. 202008001742)
WONG WAI FOONG (MAICSA 7001358)
(SSM PC No. 202008001472)
Company Secretaries
Kuala Lumpur
28 April 2023

Notes:-

I. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend this 29th AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (in the form of posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at this 29th AGM via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at https://tiih.online.

Please read these Notes carefully and follow the procedures in the Administrative Details for the 29th AGM in order to participate remotely via RPV facilities.

II. Notes on Appointment of Proxy

(1) For the purpose of determining who shall be entitled to participate in this AGM via RPV facilities, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a **Record of Depositors as at 24 May 2023.** Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV facilities.

(2) A member who is entitled to participate in this AGM via RPV facilities is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company.

(3) A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the general meeting.

(4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

(5) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of Section 25A(1) of the Central Depositories Act.

(7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(8) A member who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV facilities **must request his/her proxy or attorney or authorised representative to register himself/herself for RPV** via TIIH Online website at https://tiih.online. Procedures for RPV can be found in the Administrative Details for the 29th AGM.

(9) The appointment of a proxy may be made via hard copy or electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote:

(i) Hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) Electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Please refer to the Administrative Details for the 29th AGM on the procedures for electronic lodgement of proxy form via TIIH Online.

(10) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

(11) Last date and time for lodging this proxy form is Tuesday, 30 May 2023 at 2.00 p.m.

(12) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

(13) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Explanatory Notes on Ordinary Business

(1) **Agenda item 1 – Audited Financial Statements for the financial year ended 31 December 2022**

Agenda item 1 is meant for discussion only as the provisions of Section 340(1)(a) of the Companies Act 2016 do not require a formal approval of shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

(2) **Resolutions 1 to 5 – Re-election of Directors**

Mr. Low Hin Choong, Dato' Anwar bin Haji @ Aji, Encik Aqil bin Ahmad Azizuddin, Dato' Zulfikri bin Osman and Puan Nik Fazila binti Nik Mohamed Shihabuddin are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 29th AGM.

Please refer to Statement Accompanying Notice of 29th AGM for further details.

(3) **Resolution 6 – Declaration of a Single Tier Final Dividend**

Pursuant to Paragraph 8.26(2) of the MMLR, the single tier final dividend, if approved, will be paid on 30 June 2023.

(4) **Resolutions 7 and 8 – Proposed Payment of Directors' Fees and Benefits**

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

Resolution 7 is to seek shareholders' approval to allow the Company to pay Directors' fees and benefits (excluding meeting attendance allowance) from this 29th AGM until the next AGM of the Company. The said Directors' fees and benefits are calculated based on the current Board size. In the event the proposed amount is insufficient (e.g. due to enlarged Board size or increased responsibility), approval will be sought at the next AGM for the shortfall.

The fee structure for the Non-Executive Directors including for any specific positions held as Chairman (Board and Board Committees) and members of the Board Committees remains the same for the period from this 29th AGM to the next AGM.

Resolution 8 is to seek shareholders' approval for the payment of meeting attendance allowance to Non-Executive Directors of the Company. If Resolution 8 is passed, the meeting attendance allowance will be payable for the period from this 29th AGM until the next AGM of the Company at the quantum specified.

(5) **Resolution 9 – Re-appointment of Auditors**

The Board had through the Audit Committee ("AC"), assessed the suitability and independence of the External Auditors, Messrs Deloitte PLT and considered the re-appointment of Messrs Deloitte PLT as Auditors of the Company. The Board and the AC collectively agreed and was satisfied that Messrs Deloitte PLT has the relevant criteria prescribed by Paragraph 15.21 of the MMLR. The Board approved the AC's recommendation to seek the shareholders' approval for the re-appointment of Messrs Deloitte PLT as auditors of the Company.

Explanatory Notes on Special Business

(6) **Resolution 10 – Proposed Renewal of Share Buy-Back Mandate**

This resolution, if passed, will authorise the Directors to purchase up to ten per centum (10%) of the total number of issued shares of the Company through Bursa Malaysia Securities Berhad. Please refer to the Statement/Circular to Shareholders dated 28 April 2023 for further information.

(7) **Resolution 11 – Proposed Renewal of Recurrent Related Party Transactions Mandate**

This resolution, if passed, will authorise the Company and each of its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business. For further information on the recurrent related party transactions, please refer to the Statement/Circular to Shareholders dated 28 April 2023.

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STATEMENT ACCOMPANYING NOTICE OF 29TH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.29(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

DIRECTORS STANDING FOR ELECTION/RE-ELECTION (RESOLUTION 1 TO 5)

There are no individuals who are standing for election or appointment as Directors at this 29th Annual General Meeting ("29th AGM").

The Directors who are standing for re-election at the 29th AGM are as follows:

Name	Directorship	Date of Appointment to MBMR
Retirement pursuant to Clause 76(3) of the Company's Constitution		
Dato' Anwar bin Haji @ Aji	Senior Independent Non-Executive Director ("SID")	• 16 January 2018 • 25 June 2019 (Appointment as SID)
Mr. Low Hin Choong	Non-Independent Non-Executive Director	• 18 May 2001
Retirement pursuant to Clause 78 of the Company's Constitution		
Encik Aqil bin Ahmad Azizuddin	Non-Independent Non-Executive Chairman	• 26 January 2023 • 31 January 2023 (Redesignation as Chairman)
Dato' Zulfikri bin Osman	Non-Independent Non-Executive Director	• 26 January 2023
Puan Nik Fazila binti Nik Mohamed Shihabuddin	Independent Non-Executive Director	• 31 January 2023

(collectively referred to as the "Retiring Directors")

The Retiring Directors being eligible, have offered themselves for re-election at the 29th AGM. The full profiles of the Retiring Directors can be found on pages 38 to 41 of the Annual Report 2022 while details of their interest in securities of the Company, if any can be found on page 80.

The Board through its Nominating and Remuneration Committee ("NRC") had considered the following:

(a) Fit and proper criteria as guided by the MBMR Directors' Fit and Proper Policy and the Director's Declaration Form executed by each of the Retiring Directors;
(b) Skills, knowledge, expertise and experience, time, commitment, character, professionalism and integrity (including that the Retiring Directors are not active politicians);
(c) Outcome of the Board and Individual Director Effectiveness Evaluation conducted for the financial year ended 31 December 2022;
(d) Disclosures of any interest, position or relationship that may result in a conflict of interest or might influence, or reasonably be perceived to influence in a material respect the capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole; and
(e) Criteria for independence pursuant to the Main Market Listing Requirements of Bursa Securities Malaysia Berhad (for independent directors being re-elected).

Based on the above, the Board and the NRC was satisfied that the Retiring Directors met the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors and that they met the criteria prescribed by the MBMR Directors' Fit and Proper Policy.

The NRC and the Board was also satisfied that the independent directors seeking re-election, Dato' Anwar bin Haji @ Aji and Puan Nik Fazila binti Nik Mohamed Shihabuddin, met the criteria of independent directors as prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company, and also being independent of its major shareholders.

The Board (save for the Retiring Directors, who abstained from deliberation on discussions relating to their own re-election at the Board meeting) supports and recommends the re-election of the Retiring Directors to the shareholders for approval as the Board believes that the Retiring Directors have discharged their duties and responsibilities effectively, demonstrated commitment to their role, and will continue to make a strong contribution to the Board and to the long-term sustainable success of the Company.

ADMINISTRATIVE DETAILS FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING ("29TH AGM") OF MBM RESOURCES BERHAD

Date	:	**Thursday, 1 June 2023**
Time	:	**2.00 p.m.**
Broadcast Venue	:	**23-01, Level 23, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur**

MODE OF MEETING

- Pursuant to the revised Guidance and FAQs on the Conduct of General Meetings for Listed Issuers ("SC Guidance Note") issued by Securities Commission Malaysia ("SC") on 7 April 2022, the Company's 29th AGM will be held virtually **through live streaming from the Broadcast Venue.**

- The **Broadcast Venue** of the 29th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the meeting together with the essential individuals as indicated in the SC Guidance Note. **Shareholder(s)/proxy(ies) are NOT allowed to by physically present or attend the 29th AGM in person at the Broadcast Venue on the day of the meeting.**

SHAREHOLDERS' PARTICIPATION AT THE 29TH AGM VIA REMOTE PARTICIPATION AND VOTING ("RPV") FACILITIES

- Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 29th AGM using RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor").

- The RPV facilities are available on Tricor's **TIIH Online** website at https://tiih.online.

- We **strongly encourage** you to participate the 29th AGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 29th AGM.

- Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

PROCEDURES TO RPV VIA RPV FACILITIES

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 29th AGM using the RPV facilities:

Procedure	Action
BEFORE THE 29TH AGM DAY	
i. Register as a user with TIIH Online	• Using your computer, access to website at https://tiih.online. Register as a user under the "e-Services" select "Create Account by **Individual Holder"**. Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.

ii.	Submit your request to attend 29th AGM remotely	• Registration is open from 10.00 a.m. Friday, 28th April 2023 until the day of 29th AGM on Wednesday, 1 June 2023. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 29th AGM to ascertain their eligibility to participate the 29th AGM using the RPV. • Login with your user ID (i.e. e-mail address) and password and select the corporate event: **"(Registration) MBM Resources Berhad 29th AGM".** • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration and proceed to register. • System will send an **e-mail to notify** that your registration for remote participation is received and will be verified. • After verification of your registration against the Record of Depositors as at 24 May 2023, the system will send you an **e-mail after 30th May 2023 to approve or reject** your registration for remote participation. *(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV)* .
ON THE 29TH AGM DAY		
i	Login to TIIH Online	• Login with your user ID and password for remote participation at the 29th AGM at any time from 1.30 p.m. i.e. 30 minutes before the commencement of meeting at 2.00 p.m. on Thursday, 1 June 2023.
ii	Participate through Live Streaming	• Select the corporate event: **"(Live Stream Meeting) MBM Resources Berhad 29th AGM"** to engage in the proceedings of the 29th AGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the 29th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
iii	Online remote voting	• Voting session commences from 2:00 p.m. on Thursday, 1 June 2023 until a time when the Chairman announces the end of the session. • Select the corporate event: "**(Remote Voting) MBM Resources Berhad 29th AGM"** or if you are on the live stream meeting page, you can select **"GO TO REMOTE VOTING PAGE"** button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
iv	End of remote participation	• Upon the announcement by the Chairman on the conclusion of the 29th AGM, the Live Streaming will end.

NOTE TO USERS OF THE RPV FACILITIES:

(i) Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.

(ii) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

(iii) In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- Only members whose names appear on the Record of Depositors as at **24th May 2023** shall be eligible to participate in the 29th AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.

- In view that the 29th AGM will be conducted virtually, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.

- If you wish to participate in the 29th AGM yourself, please do not submit any Form of Proxy for the 29th AGM. You will not be allowed to participate in the 29th AGM together with a proxy appointed by you.

- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 29th AGM whether via hard copy or electronic means shall be deposited or submitted in the following manner not later than **Tuesday, 30th May 2023** at **2.00 p.m**.:

  (i) Hard copy:

  a) By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

  b) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com

  (ii) Electronic form:

  All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
I. Steps for Individual Shareholders	
Register as a User with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of form of proxy	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: "**MBM Resources Berhad 29th AGM - Submission of Proxy Form**". • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the form of proxy for your record.

II. Steps for Corporation or Institutional Shareholders	
Register as a User with TIIH Online	• Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects **"Create Account by Representative of Corporate Holder".** • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.
Proceed with submission of form of proxy	• Login to TIIH Online at https://tiih.online. • Select the corporate exercise name: "**MBM Resources Berhad: Submission of Proxy Form"** • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

VOTING AT MEETING

- The voting at the 29th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The Company has appointed Tricor to conduct the poll voting electronically ("e-voting") via Tricor e-Vote application ("Tricor e-Vote App") and Asia Securities Sdn Berhad as Independent Scrutineers to verify the poll results.

- Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the 29th AGM at 2.00 p.m. Kindly refer to "Procedures to Remote Participation and Voting via RPV Facilities" provided above for guidance on how to vote remotely via TIIH Online.

RESULTS OF THE VOTING

- The resolutions proposed at the 29th AGM and the results of the voting will be announced at the 29th AGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

- The Board recognises that the 29th AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the 29th AGM, shareholders may in advance, before the 29th AGM, submit questions to the Board of Directors via Tricor's TIIH Online website at https://tiih.online, by selecting "e-Services" to login, post your questions and submit it electronically no later than Tuesday, 30th May 2023. The Board of Directors will endeavor to address the questions received at the 29th AGM.

ANNUAL REPORT

- The Annual Report is available on the Company's website at www.mbmr.com.my and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.

- You may request for a printed copy of the Annual Report at https://tiih.online by selecting "**Request for Annual Report / Circular**" under the "**Investor Services**".

- Kindly consider the environment before you decide to request for the printed copy of the Annual Report.

ENQUIRY

- If you have any enquiries prior to the meeting, please call our Share Registrar, Tricor at +603-2783 9299 during office hours i.e. from 8.30 a.m. to 5.30 p.m. (Mondays to Fridays).

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MBM RESOURCES BERHAD
[Registration No. 199301029757 (284496-V)]
(Incorporated in Malaysia)

PROXY FORM

No of shares held	CDS Account No.

I/We ____ Tel: ______________

[Full name in Block, NRIC/Passport/Company No.]

of ____

[Full address]

being member(s) of **MBM Resources Berhad**, hereby appoint:-

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

^and/or

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as ^my/our proxy/proxies to vote for ^me/us and on ^my/our behalf at the 29th Annual General Meeting ("AGM") of the Company, which will be held virtually through live streaming from the broadcast venue at 23-01, Level 23, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur ("Broadcast Venue") on Thursday, 1 June 2023 at 2.00 p.m. or any adjournment thereof, and to vote as indicated below:-

Resolution	Description of Resolution	For	Against
1.	Re-election of Mr Low Hin Choong as Director pursuant to Clause 76(3) of the Company's Constitution.		
2.	Re-election of Dato' Anwar bin Haji @ Aji as Director pursuant to Clause 76(3) of the Company's Constitution.		
3.	Re-election of Encik Aqil bin Ahmad Azizuddin as Director pursuant to Clause 78 of the Company's Constitution.		
4.	Re-election of Dato' Zulfikri bin Osman as Director pursuant to Clause 78 of the Company's Constitution.		
5.	Re-election of Puan Nik Fazila binti Nik Mohamed Shihabuddin as Director pursuant to Clause 78 of the Company's Constitution.		
6.	Declaration of single tier final dividend of 6.0 sen per ordinary share for the financial year ended 31 December 2022.		
7.	Approval of Directors' fees of up to RM800,000 and Directors' benefits of up to RM700,000 for the period from this 29th Annual General Meeting until next Annual General Meeting of the Company.		
8.	Approval of meeting attendance allowance of RM1,500 per meeting for each Non-Executive Director for the period from this 29th Annual General Meeting until next Annual General Meeting of the Company.		
9.	Re-appointment of Messrs Deloitte PLT as Auditors and authorisation for the Directors to fix their remuneration.		
10.	Proposed Renewal of Share Buy-Back Mandate.		
11.	Proposed Renewal of Recurrent Related Party Transactions Mandate.		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this .... day of 2023

....

Signature*
Member

^ Delete whichever is inapplicable

* Manner of execution:-

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (If any) and executed by:-
   (i) at least two (2) authorised officers, of whom one shall be a director; or
   (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Please read the accompanying Notes on page 195.

Fold this flap for sealing

AFFIX
STAMP

MBM RESOURCES BERHAD
The Share Registrar
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

1st fold line

2nd fold line

Notes:-

I. IMPORTANT NOTICE

*The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.*

*Shareholders **WILL NOT BE ALLOWED** to attend this 29th AGM in person at the Broadcast Venue on the day of the meeting.*

*Shareholders are to attend, speak (in the form of posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at this 29th AGM via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at https://tiih.online.*

Please read these Notes carefully and follow the procedures in the Administrative Details for the 29th AGM in order to participate remotely via RPV facilities.

II. Notes on Appointment of Proxy

(1) For the purpose of determining who shall be entitled to participate in this 29th AGM via RPV facilities, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 24 May 2023. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this 29th AGM via RPV facilities.

(2) A member who is entitled to participate in this 29th AGM via RPV facilities is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company.

(3) A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the general meeting.

(4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(5) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of Section 25A(1) of the Central Depositories Act.

(7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

*(8) A member who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV facilities **must request his/her proxy or attorney or authorised representative to register himself/herself for RPV** via TIIH Online website at https://tiih.online. Procedures for RPV can be found in the Administrative Details for the 29th AGM.*

(9) The appointment of a proxy may be made via hard copy or electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this 29th AGM or adjourned general meeting at which the persons named in the appointment proposes to vote:

(i) Hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) Electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Please refer to the Administrative Details for the 29th AGM on the procedures for electronic lodgement of proxy form via TIIH Online.

(10) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

(11) Last date and time for lodging this proxy form is Tuesday, 30 May 2023 at 2.00 p.m.

(12) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

*(13) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:*

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

*(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed w*ith the rubber stamp of the corporate member (if any) and executed by:

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

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MBM Resources Berhad
Registration No. *199301029757 (284496-V)*

23-01, Level 23, Menara MBMR,
1, Jalan Syed Putra, 58000 Kuala Lumpur.
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