



DRB-HICOM BERHAD

Registration No. 199001011860 (203430-W)
(Incorporated in Malaysia)

Interim Financial Report for the Financial Year
Ended 31 December 2022

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Board of Directors is pleased to announce the unaudited consolidated financial results of DRB-HICOM Group (“the Group”) for the financial quarter/year ended 31 December 2022.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Financial Quarter 3 Months Ended		Financial Year 12 Months Ended	
		31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Revenue		4,347,633	4,124,193	15,512,016	12,378,135
Cost of sales and operating expenses		(4,233,654)	(3,897,599)	(15,072,476)	(12,365,917)
Other income		88,421	112,551	462,853	342,001
Other expenses		(195,671)	(142,712)	(334,252)	(311,498)
Profit from operations		6,729	196,433	568,141	42,721
Finance costs		(136,614)	(123,150)	(511,051)	(485,768)
Share of results of joint ventures (net of tax)		38,862	47,900	222,231	113,795
Share of results of associated companies (net of tax)		17,898	32,188	130,671	37,985
PROFIT/(LOSS) BEFORE TAXATION	14	(73,125)	153,371	409,992	(291,267)
Taxation	19	(6,380)	29,905	(118,869)	(57,681)
NET PROFIT/(LOSS) FOR THE FINANCIAL QUARTER/YEAR		(79,505)	183,276	291,123	(348,948)
OTHER COMPREHENSIVE INCOME/(LOSS)					
<u>Items that will not be reclassified subsequently to profit or loss:</u>					
Fair value gain on investment properties		35,352	4,736	34,544	4,736
Net gain on valuation of post-employment benefit obligations		22	164	22	164
Net gain/(loss) on fair value changes of equity instruments: financial assets at fair value through other comprehensive income		15,744	(3,352)	3,249	(13,940)
<u>Items that will be reclassified subsequently to profit or loss:</u>					
Net (loss)/gain on fair value changes of investment securities: financial assets at fair value through other comprehensive income		10,015	(19,387)	(38,333)	(42,957)
Currency translation differences of foreign operations		(6,497)	(440)	3,662	6,429

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

	Note	Financial Quarter 3 Months Ended		Financial Year 12 Months Ended	
		31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
OTHER COMPREHENSIVE INCOME/(LOSS) (Continued)					
<u>Reclassification adjustments:</u>					
Transfer of realised loss on fair value changes of investment securities: financial assets at fair value through other comprehensive income upon disposal		(475)	(152)	(2,006)	(2,011)
Transfer of currency translation differences of a foreign subsidiary company to profit or loss upon disposal		-	-	9	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL QUARTER/YEAR (NET OF TAX)		54,161	(18,431)	1,147	(47,579)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL QUARTER/YEAR		(25,344)	164,845	292,270	(396,527)
Net profit/(loss) for the financial quarter/year attributable to:					
Owners of the Company		(100,062)	117,472	187,712	(296,422)
Holder of Perpetual Sukuk		5,955	5,680	8,285	23,631
Non-controlling interest		14,602	60,124	95,126	(76,157)
		(79,505)	183,276	291,123	(348,948)
Total comprehensive income/(loss) for the financial quarter/year attributable to:					
Owners of the Company		(47,591)	106,071	201,664	(328,812)
Holder of Perpetual Sukuk		5,955	5,680	8,285	23,631
Non-controlling interest		16,292	53,094	82,321	(91,346)
		(25,344)	164,845	292,270	(396,527)
Basic and diluted earnings/(loss) per share (sen):	25	(5.18)	6.08	9.71	(15.33)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2021 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		5,304,859	5,678,014
Investment properties		438,819	375,261
Inventories		2,129,423	2,130,876
Joint ventures		596,122	490,884
Associated companies		989,245	933,563
Intangible assets		1,556,792	1,504,490
Deferred tax assets		297,809	251,638
Investment securities: financial assets at fair value through profit or loss			
- Banking		180,376	147,840
- Non-banking		6,379	6,379
Investment securities: financial assets at fair value through other comprehensive income			
- Banking		3,565,604	3,694,457
- Non-banking		65,668	65,916
Investment securities: financial assets at amortised cost			
- Banking		113,589	107,109
Trade and other receivables		1,773,885	1,690,104
Other assets		2,573	2,578
Banking related assets			
- Financing of customers		18,269,467	15,138,319
- Statutory deposit with Bank Negara Malaysia		417,091	130,148
		35,707,701	32,347,576
CURRENT ASSETS			
Assets and disposal group held for sale		12,025	14,241
Inventories		2,440,245	1,586,244
Trade and other receivables		3,036,740	2,819,690
Investment securities: financial assets at fair value through profit or loss			
- Banking		147,485	174,817
- Non-banking		36,789	38,889
Investment securities: financial assets at fair value through other comprehensive income			
- Banking		1,500,275	1,172,313
Investment securities: financial assets at amortised cost			
- Non-banking		-	4,000
Banking related assets			
- Cash and short-term funds		1,257,200	1,173,475
- Financing of customers		5,140,313	4,972,233
Bank balances and cash deposits		2,187,861	2,804,473
Derivative assets	22(a)	22,554	10,700
		15,781,487	14,771,075
TOTAL ASSETS		51,489,188	47,118,651

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	Note	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital		1,740,302	1,740,302
Reserves		5,625,413	5,462,414
Equity attributable to Owners of the Company		7,365,715	7,202,716
Perpetual Sukuk		354,020	-
Redeemable Convertible Cumulative Preference Shares		669,266	669,266
Non-controlling interest		1,299,400	1,225,844
TOTAL EQUITY		9,688,401	9,097,826
NON-CURRENT LIABILITIES			
Deferred income		2,351	6,044
Trade and other payables		336,354	339,308
Lease liabilities		189,711	209,643
Long-term borrowings	21(c)	6,134,426	5,503,870
Redeemable Convertible Cumulative Preference Shares		724,495	682,406
Post-employment benefit obligations		3,628	3,803
Deferred tax liabilities		248,010	264,927
Banking related liabilities			
- Deposits from customers		989,549	1,222,466
- Deposits and placements of banks and other financial institutions		301,388	291,569
- Recourse obligation on financing sold to Cagamas		733,174	427,466
		9,663,086	8,951,502
CURRENT LIABILITIES			
Liabilities related to disposal group held for sale		3,467	3,707
Deferred income		4,911	1,673
Trade and other payables		4,762,551	4,280,881
Lease liabilities		73,236	104,995
Provision for liabilities and charges		362,820	321,518
Post-employment benefit obligations		510	437
Bank borrowings			
- Bank overdrafts	21(a)	3,205	4,203
- Others	21(b)	1,809,448	2,530,992
Banking related liabilities			
- Deposits from customers		25,053,543	21,748,564
- Deposits and placements of banks and other financial institutions		2,000	297
- Bills and acceptances payable		20,218	7,755
Derivative liabilities	22(a)	41,792	64,301
		32,137,701	29,069,323
TOTAL LIABILITIES		41,800,787	38,020,825
TOTAL EQUITY AND LIABILITIES		51,489,188	47,118,651
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY * (RM)		3.81	3.73

* Based on 1,933,237,051 ordinary shares in issue.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2021 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital		Non-distributable				Retained Earnings RM'000	Equity attributable to Owners of the Company RM'000	Perpetual Sukuk RM'000	Redeemable Convertible Cumulative Preference Shares ("RCCPS") RM'000	Non- controlling Interest RM'000	Total RM'000
	Number of shares '000	Monetary value RM'000	Merger Reserve RM'000	Currency Translation Differences RM'000	Fair Value through Other Comprehensive Income ("FVOCI") Reserve RM'000	Other Reserves RM'000						
At 1 January 2022	1,933,237	1,740,302	1,214,085	3,079	(43,138)	157,473	4,130,915	7,202,716	-	669,266	1,225,844	9,097,826
Net profit for the financial year	-	-	-	-	-	-	187,712	187,712	8,285	-	95,126	291,123
Other comprehensive income/(loss) for the financial year, net of tax	-	-	-	1,521	(22,131)	34,562	-	13,952	-	-	(12,805)	1,147
Total comprehensive income/(loss) for the financial year	-	-	-	1,521	(22,131)	34,562	187,712	201,664	8,285	-	82,321	292,270
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	-	-	32,663	-	(32,663)	-	-	-	-	-
Transfer of a subsidiary company's reserves	-	-	-	-	-	46,274	(46,274)	-	-	-	-	-
<u>Transactions with Owners</u>												
Net issuance of Perpetual Sukuk	-	-	-	-	-	-	-	-	345,735	-	-	345,735
Capital repayment to non-controlling interest of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(8,765)	(8,765)
First and final dividend in respect of financial year ended 31 December 2021	-	-	-	-	-	-	(38,665)	(38,665)	-	-	-	(38,665)
At 31 December 2022	1,933,237	1,740,302	1,214,085	4,600	(32,606)	238,309	4,201,025	7,365,715	354,020	669,266	1,299,400	9,688,401

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Share Capital		Non-distributable				Retained Earnings RM'000	Equity attributable to Owners of the Company RM'000	Perpetual Sukuk RM'000	RCCPS RM'000	Non-controlling Interest RM'000	Total RM'000
	Number of shares '000	Monetary value RM'000	Merger Reserve RM'000	Currency Translation Differences RM'000	FVOCI Reserve RM'000	Other Reserves RM'000						
At 1 January 2021	1,933,237	1,740,302	1,214,085	(978)	(1,992)	172,972	4,455,331	7,579,720	292,102	669,266	1,316,030	9,857,118
Net (loss)/profit for the financial year	-	-	-	-	-	-	(296,422)	(296,422)	23,631	-	(76,157)	(348,948)
Other comprehensive (loss)/income for the financial year, net of tax	-	-	-	4,057	(41,347)	4,900	-	(32,390)	-	-	(15,189)	(47,579)
Total comprehensive (loss)/income for the financial year	-	-	-	4,057	(41,347)	4,900	(296,422)	(328,812)	23,631	-	(91,346)	(396,527)
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	-	-	201	-	(201)	-	-	-	-	-
Transfer of a subsidiary company's reserves	-	-	-	-	-	(12,132)	12,132	-	-	-	-	-
Acquisition of additional interest in a subsidiary company	-	-	-	-	-	-	(1,260)	(1,260)	-	-	1,160	(100)
Sub-total carried forward	1,933,237	1,740,302	1,214,085	3,079	(43,138)	165,740	4,169,580	7,249,648	315,733	669,266	1,225,844	9,460,491

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Share Capital		Non-distributable				Retained Earnings RM'000	Equity attributable to Owners of the Company RM'000	Perpetual Sukuk RM'000	RCCPS RM'000	Non-controlling Interest RM'000	Total RM'000
	Number of shares '000	Monetary value RM'000	Merger Reserve RM'000	Currency Translation Differences RM'000	FVOCI Reserve RM'000	Other Reserves RM'000						
Sub-total brought forward	1,933,237	1,740,302	1,214,085	3,079	(43,138)	165,740	4,169,580	7,249,648	315,733	669,266	1,225,844	9,460,491
<u>Transactions with Owners</u>												
Redemption of Perpetual Sukuk	-	-	-	-	-	(8,267)	-	(8,267)	(291,733)	-	-	(300,000)
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	(24,000)	-	-	(24,000)
First and final dividend in respect of financial year ended 31 December 2020	-	-	-	-	-	-	(38,665)	(38,665)	-	-	-	(38,665)
At 31 December 2021	1,933,237	1,740,302	1,214,085	3,079	(43,138)	157,473	4,130,915	7,202,716	-	669,266	1,225,844	9,097,826

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2021 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Financial Year 12 Months Ended 31.12.2022 RM'000	Financial Year 12 Months Ended 31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) for the financial year	291,123	(348,948)
Adjustments:		
- Amortisation of intangible assets	231,400	205,579
- Depreciation of property, plant and equipment	716,375	747,785
- Finance costs	511,051	485,768
- Income from disposal of a former subsidiary company	(119,512)	-
- Taxation	118,869	57,681
- Share of results of joint ventures (net of tax)	(222,231)	(113,795)
- Share of results of associated companies (net of tax)	(130,671)	(37,985)
- Others	190,140	266,002
Operating profit before working capital changes	1,586,544	1,262,087
Changes in working capital:		
Net increase in banking related assets	(3,673,907)	(2,739,786)
Net increase banking related liabilities	3,096,047	1,931,812
Net (increase)/decrease in assets	(1,150,345)	343,248
Net increase/(decrease) in liabilities	601,834	(70,765)
Net cash generated from operations	460,173	726,596
Interest received	41,846	31,818
Tax paid, net of refund	(79,510)	(98,965)
Finance costs paid	(170,012)	(163,291)
Provision for liabilities and charges paid	(4,553)	(69,350)
Post-employment benefit obligations paid	(446)	(596)
Net cash inflow from operating activities	247,498	426,212
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities by a banking subsidiary company (net)	(322,709)	(1,107,167)
Acquisition of additional shares in a subsidiary company	-	(100)
Acquisitions of investment securities	(23,907)	(55,993)
Additional investment in an associated company	(362)	-
Capital repayment to non-controlling interest of a subsidiary company	(8,765)	-
Dividends received from joint ventures	91,496	17,403
Dividends received from an associated company	85,315	38,250
Dividends received from other investments	966	-
Movement in fixed deposits placement with maturity profile more than 3 months	(4,003)	20
Proceeds from disposal of a former subsidiary company	119,512	-
Proceeds from disposal of an associated company	-	9,922
Proceeds from disposal of property, plant and equipment	2,595	5,684
Proceeds from redemption of fund investments	73,237	73,696
Proceeds from redemption of preference shares by an associated company	25,752	-
Purchases of property, plant and equipment/intangible assets	(896,851)	(702,515)
Proceed received from liquidation of a joint venture	2,542	-
Proceed received from liquidation of an associated company	-	8,700
Settlement of advance from a former subsidiary company	-	28,000
Net cash outflow from investing activities	(855,182)	(1,684,100)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	Financial Year 12 Months Ended 31.12.2022 RM'000	Financial Year 12 Months Ended 31.12.2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to holders of Perpetual Sukuk	-	(24,000)
Dividends paid to shareholders	(38,665)	(38,665)
Finance costs paid	(285,691)	(272,449)
Movement in bank balances and fixed deposits held as security/maintained as sinking fund	219,460	186,986
Net proceeds from issuance of Perpetual Sukuk	345,735	-
Payment of the principal portion of lease liabilities	(102,800)	(94,918)
Proceeds from bank borrowings	5,087,278	5,630,787
Proceed from recourse obligation on financing sold to Cagamas	750,000	-
Redemption of Perpetual Sukuk	-	(300,000)
Repayment of bank borrowings	(5,235,769)	(5,011,962)
Repayment of principal for recourse obligation on financing sold to Cagamas	(444,751)	(16,667)
Net cash inflow from financing activities	294,797	59,112
NET DECREASE IN CASH AND CASH EQUIVALENTS	(312,887)	(1,198,776)
Effects of foreign currency translation	(2,310)	(806)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR	3,320,938	4,520,520
CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL YEAR	3,005,741	3,320,938
Cash and cash equivalents as at end of the financial year comprise the followings:		
Bank balances and cash deposits	2,187,861	2,804,473
Banking related assets - cash and short-term funds	1,257,200	1,173,475
Bank overdrafts	(3,205)	(4,203)
	3,441,856	3,973,745
Less: Bank balances and fixed deposits held as security/sinking fund	(410,168)	(629,628)
Less: Fixed deposits with maturity profile of more than 3 months	(4,470)	(467)
Less: Bank balances in respect of Automotive Development Fund liabilities	(4,496)	(4,409)
Less: Collections held by a postal subsidiary company on behalf of third parties	(17,390)	(19,994)
Add: Cash and cash equivalents attributable to the disposal group held for sale	409	1,691
	3,005,741	3,320,938

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2021 and the explanatory notes attached to the interim financial report.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. This interim financial report should be read in conjunction with the Group’s annual audited financial statements for the financial year ended 31 December 2021 and all the financial information is presented in RM and has been rounded to the nearest thousand unless otherwise stated.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2021 except for the adoption of the following amendments to standards which are applicable to the Group with effect from 1 January 2022:

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

The adoption and application of the above amendments did not have any material impact on the financial statements of the Group.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial year ended 31 December 2022.

4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

Save as below, there was no material item of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the financial year ended 31 December 2022.

During the current year, the Group received the remaining 20% proceeds of RM119.51 million in relation to the disposal of a former subsidiary company, Lotus Advance Technologies Sdn. Bhd. which had been completed in 2017. The proceeds were previously withheld as contingent consideration in an escrow account subject to the termination of the Equity Joint Venture Contract (“EJVC”) entered into between PROTON Holdings Berhad, Lotus Group International Limited and Goldstar Heavy Industrial Co., Ltd.

4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE (Continued)

The Group received an arbitration award granting that the EJVC had been validly terminated as disclosed in Note 23 on page 24 and therefore, the proceeds were subsequently released by the escrow agent to DRB-HICOM and recognised as other income in the consolidated statement of comprehensive income for the current year ended 31 December 2022.

5. CHANGES IN ESTIMATES

There was no material change in the estimate of amounts reported in prior financial years that has a material effect on this interim financial report.

6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

Other than as disclosed in the Condensed Consolidated Statement of Changes in Equity on page 5 and Note 21(d) on page 22, there was no issuance or repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial year ended 31 December 2022.

7. DIVIDEND PAID

The shareholders approved a single tier first and final dividend of 2.0 sen per share at the last Annual General Meeting held on 22 June 2022 in respect of the financial year ended 31 December 2021. The dividend of RM38,664,741 was paid on 18 July 2022.

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8. SEGMENTAL INFORMATION

The information on each of the Group's business segments for the financial year ended 31 December 2022 is as follows:

	Automotive	Aerospace and Defence	Postal	Banking	Services	Properties	Investment Holding	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
Total revenue	11,113,360	874,946	1,240,386	1,292,418	941,813	314,733	25,487	15,803,143
Inter-segment revenue	(26,847)	(38)	(7,631)	(24,084)	(207,040)	-	(25,487)	(291,127)
External revenue	11,086,513	874,908	1,232,755	1,268,334	734,773	314,733	-	15,512,016
Results								
Segment profit/(loss)	374,772	85,481	(210,314)	312,284	(7,624)	(57,977)	154,488	651,110
Unallocated expenses								(126,581)
Interest income on short-term deposits								43,612
Finance costs								(511,051)
Share of results of joint ventures (net of tax)	222,231	-	-	-	-	-	-	222,231
Share of results of associated companies (net of tax)	131,227	-	-	-	(556)	-	-	130,671
Profit before taxation								409,992
Taxation								(118,869)
Net profit for the financial year								291,123
Attributable to:								
Owners of the Company								187,712
Holder of Perpetual Sukuk								8,285
Non-controlling interest								95,126

9. PROPERTY, PLANT AND EQUIPMENT

There is no revaluation of property, plant and equipment brought forward from the previous annual audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

10. SUBSEQUENT EVENT

There has not arisen in the interval between the end of this reporting year and the date of this announcement, any item, transaction or event of a material and unusual nature that would likely affect substantially the results of the operations of the Group.

11. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Save as disclosed below, there is no change in the composition of the Group during the current year under review.

- (a) On 16 February 2022, Proton Cars (UK) Limited (“PCUK”), an indirect wholly-owned subsidiary company of the Group, completed the divestment of its entire equity interest in Proton Finance Limited (“PFL”) comprising 9,999 ordinary shares representing approximately 49.995% equity interest in PFL, to Black Horse Group Limited, the 50% shareholder of PFL and a member of Lloyds Banking Group, for a cash consideration of £1.00 or approximately RM5.67 (based on the exchange rate as at 16 February 2022).
- (b) On 16 March 2022, the Group announced the proposed winding-up of its direct and indirect dormant subsidiary companies via members’ voluntary winding up and the companies involved in the exercise are as follows:
 - 1. Uni.Asia Capital Sdn. Bhd.
 - 2. HICOM Polymers Industry Sdn. Bhd.
 - 3. DRB-HICOM SPV (Labuan) Limited

Upon the completion of the liquidation exercise, the above companies will cease to be subsidiary companies of the Group.

- (c) On 16 March 2022, HICOM-HONDA Manufacturing Malaysia Sdn. Bhd. (“HHMM”), an indirect 48% owned dormant joint venture of the Group, has commenced the dissolution exercise via members’ voluntary winding up. Upon the dissolution, HHMM will cease to be an indirect joint venture of the Group.

11. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (Continued)

- (d) On 10 June 2022, the following dormant/inactive companies of the Group were voluntarily wound up via members' voluntary winding up ("MVL") and creditors' voluntary winding up ("CVL") and as a result, ceased to be subsidiary companies of the Group.

Companies under MVL

1. HICOM Trucks Sdn. Bhd.
2. Isti-Emas Sdn. Bhd.
3. Parcel Tankers Malaysia Sdn. Bhd.

Companies under CVL

1. Aman Freight Services Sdn. Bhd.
2. North Terminal Sdn. Bhd.

- (e) On 16 August 2022, PROTON New Energy Technology Sdn. Bhd. ("Pro-Net") was incorporated by Perusahaan Otomobil Nasional Sdn. Bhd., an indirect 50.1% owned subsidiary company of the Group, and as a result, Pro-Net became an indirect 50.1% owned subsidiary company of the Group. Pro-Net is established as a manufacturer of New Energy Vehicles and their components, and distributor of New Energy Vehicles of brands other than PROTON and their spare parts.

- (f) On 29 August 2022, Edaran Otomobil Nasional Berhad ("EON"), an indirect wholly-owned subsidiary company of the Group, entered into a Joint Venture Agreement with Petromin Corporation ("Petromin") to form a joint venture, EON Petromin Sdn. Bhd. ("EON Petromin"), to establish a vehicle aftersales servicing and parts business in Malaysia. EON Petromin was incorporated on 13 September 2022 and the shareholdings of EON and Petromin in EON Petromin are 51% and 49% respectively. EON Petromin is an indirect 51% associated company of the Group.

- (g) On 19 December 2022, Perusahaan Otomobil Nasional Sdn. Bhd. ("PONSB"), an indirect 50.1% owned subsidiary company of the Group, entered into a Joint Venture Agreement with Furi Supply Chain Technology Co., Ltd. ("FSCT") to form a joint venture, Furi Global Sdn. Bhd. ("Furi Global") to engage in the business of supplying imported and local parts for automotive vendors, including but not limited to purchasing and importing of completely knocked down modular parts or any local parts. Furi Global was incorporated on 22 December 2022 and the shareholdings of PONSB and FSCT are 40% and 60% respectively. Furi Global is an indirect 20.04% owned joint venture of the Group.

- (h) On 28 December 2022, the following dormant/inactive companies of the Group were voluntarily wound up via members' voluntary winding up ("MVL") and creditors' voluntary winding up ("CVL") and as a result, ceased to be subsidiary companies of the Group.

Companies under MVL

1. Automotive Components Engineering Centre Sdn. Bhd.
2. Comtrac Builders Sdn. Bhd.
3. Mega Consolidated Sdn. Bhd.
4. Diperdana Utara Sdn. Bhd.
5. Cougar Logistics (Malaysia) Sdn. Bhd.

Companies under CVL

1. Pengangkutan Aspacs Sdn. Bhd.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no material change in contingent liabilities or contingent assets from what was reported in the last annual audited financial statements.

13. COMMITMENTS AND CONTINGENT LIABILITIES OF BANK MUAMALAT MALAYSIA BERHAD

Risk Weighted Exposures of Bank Muamalat Malaysia Berhad are as follows:

	As at 31.12.2022		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Total Risk Weighted Amount RM'000
Contingent liabilities			
Direct credit substitutes	400,079	400,079	382,342
Trade-related contingencies	99,507	19,901	2,421
Transaction-related contingencies	555,343	277,672	267,420
Commitments			
Credit extension commitment:			
- Maturity within one year	636,084	127,217	135,215
- Maturity exceeding one year	1,151,968	575,984	423,632
Other miscellaneous commitments & contingencies	152,232	13,754	10,316
Islamic derivative financial Instruments			
Foreign exchange related contracts	1,786,430	25,347	13,764
	4,781,643	1,439,954	1,235,110

No material loss is anticipated as these amounts arose in Bank Muamalat Malaysia Berhad's business where it makes various commitments and incurs certain contingent liabilities with legal recourse to its customers.

14. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting) the following:

	Financial Quarter 3 Months Ended		Financial Year 12 Months Ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Allowance for financing of customers (net of write-back/recovered)	18,699	5,523	41,010	53,944
Amortisation of intangible assets	69,811	48,635	231,400	205,579
Depreciation of property, plant and equipment	201,580	196,894	716,375	747,785
Finance costs	136,614	123,150	511,051	485,768
Impairment loss of (net of reversals):				
- intangible assets	101,779	81,673	101,779	81,673
- property, plant and equipment	74,677	10,410	74,746	52,112
Loss on disposal of an associated company	-	-	9	4,549
Loss/(gain) on fair value adjustment of investment securities	8,187	(260)	6,305	(2,636)
Loss/(gain) on disposal of (net):				
- property, plant and equipment	270	(1,906)	(200)	(4,540)
- investment securities	(475)	(153)	(2,041)	(2,213)
Marked to market loss/(gain) on derivatives (net)	68,581	(6,485)	(34,363)	(104,790)
Write-off of property, plant and equipment	1,424	32,902	2,278	33,384
(Write-back)/write-down of inventories (net)	(6,905)	23,625	3,651	30,942
Interest income on short-term deposits	(16,428)	(9,219)	(43,612)	(32,598)
Income from disposal of a former subsidiary company	-	-	(119,512)	-
Unrealised foreign exchange differences (net)	(60,168)	(11,400)	27,639	53,795
(Write-back of)/allowance for expected credit losses	(1,197)	1,486	(15,266)	13,279

15. REVIEW OF PERFORMANCE

15.1 Revenue

	Group Business Sectors	Financial Quarter 3 Months Ended		Variance		Financial Year 12 Months Ended		Variance	
		31.12.2022 RM'000	31.12.2021 RM'000	RM'000	% +/-	31.12.2022 RM'000	31.12.2021 RM'000	RM'000	% +/-
(i)	Automotive	3,079,870	3,023,123	56,747	1.9	11,086,513	8,197,673	2,888,840	35.2
(ii)	Aerospace and Defence	334,720	169,159	165,561	97.9	874,908	620,444	254,464	41.0
(iii)	Postal	274,546	342,539	(67,993)	-19.8	1,232,755	1,500,838	(268,083)	-17.9
(iv)	Banking	346,047	289,878	56,169	19.4	1,268,334	1,115,978	152,356	13.7
(v)	Services	189,257	195,661	(6,404)	-3.3	734,773	701,958	32,815	4.7
(vi)	Properties	123,193	103,833	19,360	18.6	314,733	241,244	73,489	30.5
	Total	4,347,633	4,124,193	223,440	5.4	15,512,016	12,378,135	3,133,881	25.3

For the current quarter ended 31 December 2022, the Group's revenue increased by 5.4% to RM4.35 billion compared with RM4.12 billion in the corresponding quarter ended 31 December 2021.

In respect of the twelve months ended 31 December 2022, the Group's revenue increased by 25.3% to RM15.51 billion compared with RM12.38 billion in the corresponding year ended 31 December 2021.

(i) Automotive Sector

The Automotive sector recorded higher revenue mainly from PROTON, automotive distribution companies and manufacturing & engineering companies. In the corresponding year, the business activities of the Automotive sector were significantly affected by the nationwide Movement Control Order ("MCO").

(ii) Aerospace and Defence Sector

The Aerospace and Defence sector recorded higher revenue mainly due to higher delivery of defence products as well as single-aisle aircraft parts and resumption of delivery of certain aircraft parts following the recommencement of international flights.

(iii) Postal Sector

The Postal sector recorded lower revenue mainly due to the decline in courier business following the decrease in overall parcel volume, especially from contract customers. In addition, major e-commerce players leveraged their insourced delivery capabilities while international players pursued penetration strategies in order to capture a higher market share in the courier business.

15. REVIEW OF PERFORMANCE (Continued)

15.1 Revenue (Continued)

(iv) Banking Sector

The Banking sector posted higher revenue mainly due to higher financing income attributed to the increase in financing volume along with a rise in the Overnight Policy Rate (“OPR”) to 2.75% in the current year against 1.75% in the corresponding year.

(v) Services Sector

The Services sector recorded higher revenue mainly due to higher revenue driven by the in-flight catering business and ground handling services by the aviation business as well as the vehicle inspection business. However, the higher revenue was partially offset by lower revenue from the logistics business, particularly from freight forwarding, as a result of the decrease in customer shipments.

(vi) Properties Sector

The increase in revenue is mainly due to higher revenue recognised from property development projects, which was partially offset by lower revenue from construction projects.

15.2 Profit/(Loss) Before Tax

For the current quarter ended 31 December 2022, the Group registered a pre-tax loss of RM73.13 million compared with the pre-tax profit of RM153.37 million in the corresponding financial quarter ended 31 December 2021 mainly due to lower profit from PROTON attributable to product mix and lower share of profits from joint ventures and associated companies. Also, included in the current quarter is the impairment loss of assets in certain subsidiary companies as disclosed in Note 14 on page 16.

For the twelve months ended 31 December 2022, the Group posted a pre-tax profit of RM409.99 million compared with the pre-tax loss of RM291.27 million in the corresponding year ended 31 December 2021. The improved performance was mainly attributed to the following:

- (i) better operating results from major operating companies as compared to the operating results in the corresponding financial year which were adversely impacted by the effect of nationwide MCO; and
- (ii) income arising from the disposal of a former subsidiary company amounting to RM119.51 million as disclosed in Note 4 on page 10.

16. COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

The Group recorded a pre-tax loss of RM73.13 million in the current quarter ended 31 December 2022 compared with a pre-tax profit of RM249.96 million in the preceding quarter ended 30 September 2022, mainly due to lower profit from the Automotive and Banking sectors, as well as higher losses from Postal and Services sectors. In addition, the Group had recognised impairment loss of assets in certain subsidiary companies as disclosed in Note 14 on page 16.

17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023

Malaysia's Gross Domestic Product ("GDP") grew by 7.0% in 4Q2022, bringing full year's growth to 8.7% as compared to 3.1% in previous year. The continued expansion in private sector activities remained the key driver of growth, supported by private consumption and investment. The Malaysian economy is expected to grow at a moderate pace in 2023. The global economy continues to be weighed down by cost pressures, higher interest rates, weakening currency value and on-going geopolitical tensions.

Despite the challenging external market situation, Malaysia's Total Industry Volume ("TIV") closed at a new industry high of 720,658 units for 2022. However, the Malaysian Automotive Association ("MAA") expects TIV for 2023 to reduce to 650,000 units in the absence of pent-up demand and the anticipation of weaker global growth. PROTON concluded 2022 on an upbeat note with 141,432 units sold for both domestic and export markets, marking the best sales performance since 2013. The national automotive brand retained its second ranking in sales. Proton X50 continues to be the best-selling SUV in Malaysia with 40,681 units sold in the year. The Exora and the X70 also held leadership positions in both C-segment MPV and C-segment SUV respectively. The introduction of new models across all marques within the Group including Honda, Mitsubishi and Isuzu is expected to boost the Automotive sector and entice buying interest among consumers. This will also provide a corresponding boost to the Manufacturing & Engineering companies within the Group as well.

The Group's Banking sector will continue to strengthen its business by intensifying its digitalisation efforts and technological capabilities. Meanwhile, the Group's Postal sector remains focused on executing its transformation plan in an increasingly challenging business environment. The rest of the Group's sectors including Defence & Aerospace, Services and Properties will continue to explore growth opportunities and at the same time optimise operational excellence.

Based on the foregoing, the Group's performance for the financial year ending 31 December 2023 is expected to remain positive.

18. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee for the current financial year in a public document.

19. TAXATION

Taxation comprises the following:

	Financial Quarter 3 Months Ended		Financial Year 12 Months Ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Current taxation	70,970	23,236	181,194	137,515
Deferred taxation	(64,590)	(53,141)	(62,325)	(79,834)
Total	6,380	(29,905)	118,869	57,681

For the financial year ended 31 December 2022, the taxation charge arose mainly from certain profit-making subsidiary companies and certain expenses which were not deductible for income tax purposes.

20. STATUS OF CORPORATE PROPOSALS

On 13 February 2020, Pos Aviation Sdn. Bhd. ("Pos Aviation"), an indirect 53.5% owned subsidiary company of the Group, entered into a Share Purchase Agreement ("SPA") and a Shareholders Agreement with SIA Engineering Company Limited for the proposed divestment of its 49% equity interest in Pos Aviation Engineering Services Sdn. Bhd. ("PAES"), for an indicative cash consideration of RM10.09 million. PAES is a wholly-owned subsidiary company of Pos Aviation. The final consideration will be determined based on the latest available management financial statements prior to the completion date. The completion of the divestment is pending the fulfilment of the Conditions Precedent in the SPA which was previously extended until 13 February 2023. However, the completion date is expected to be further extended to a date to be determined later upon agreement by both parties.

21. BORROWINGS

Total Group borrowings are as follows:

	As at 31.12.2022 RM'000
Short-Term Borrowings	
(a) Bank overdrafts	
- Secured	962
- Unsecured	2,243
Total	3,205
(b) Others	
<u>Secured</u>	
Bankers acceptances	232,601
Revolving credits	264,038
Short-term loans	25,172
Short-term loans under Islamic financing	
Hire purchase - portion repayable within 12 months	28,778
Long-term loans - portion repayable within 12 months	242,175
Long-term loans under Islamic financing - portion repayable within 12 months	473,132
Sub-total	1,265,896
<u>Unsecured</u>	
Bankers acceptances	458,832
Revolving credits	76,500
Long-term loans under Islamic financing - portion repayable within 12 months	8,220
Sub-total	543,552
Total	1,809,448
(c) Long-Term Borrowings	
<u>Secured</u>	
Hire purchase	70,944
- portion repayable within 12 months	(28,778)
	42,166
Long-term loans	506,407
- portion repayable within 12 months	(242,175)
	264,232

21. BORROWINGS (Continued)

Total Group borrowings are as follows: (Continued)

	As at 31.12.2022 RM'000
(c) Long-Term Borrowings (Continued)	
<u>Secured</u> (Continued)	
Long-term loans under Islamic financing - portion repayable within 12 months	5,502,785 (473,132)
	5,029,653
<u>Unsecured</u>	
Long-term loans under Islamic financing - portion repayable within 12 months	806,595 (8,220)
	798,375
Total	6,134,426
Grand Total	7,947,079

- (d) On 30 June 2022, PONS B Capital Berhad, an indirect wholly-owned subsidiary company of PROTON Holdings Berhad issued RM700 million from its Sukuk Wakalah programme. The proceeds raised from the Sukuk Wakalah will be utilised to finance the company's future expansion plans as well as working capital requirements. The Sukuk Wakalah is classified as secured long-term loans under Islamic financing.
- (e) Apart from the following Ringgit Malaysia ("RM") equivalent of foreign currency borrowings, the rest of the borrowings are denominated in RM.

	Short-Term			Long-Term			Total		
	Foreign currency	Foreign '000	RM '000	Foreign currency	Foreign '000	RM '000	Foreign currency	Foreign '000	RM '000
As at 31 December 2022									
Secured									
Short-term loans	USD	767	3,373	-	-	-	USD	767	3,373
Revolving credit	CNY	182,000	115,406	-	-	-	CNY	182,000	115,406
Term loans under Islamic financing	USD	3,982	17,511	USD	7,961	35,014	USD	11,943	52,525
Term loans	USD	52,025	228,806	USD	-	-	USD	52,025	228,806
Total			365,096			35,014			400,110

22. OUTSTANDING DERIVATIVES

- (a) Derivatives outstanding as at 31 December 2022 consist mainly of currency forward foreign exchange contracts, currency swaps foreign exchange contracts and share put option which are measured at their fair values together with their corresponding contract/notional amounts as below:

	Contract/ Notional Value RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Currency forward foreign exchange contracts	1,416,190	1,230	39,542
Currency swaps foreign exchange contracts	1,330,964	19,698	2,250
Share put option	1,626	1,626	-
	2,748,780	22,554	41,792

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2021:

- (i) the credit risk, market risk and liquidity risk associated with these financial derivatives;
 - (ii) the cash requirements of the financial derivatives; and
 - (iii) the policy in place for mitigating or controlling the risks associated with these financial derivatives.
- (b) Disclosure of gain arising from fair value changes of financial derivatives

During the financial year ended 31 December 2022, the Group recognised a total net gain of RM34.36 million arising from the fair value changes on the currency forward foreign exchange contracts, currency swaps foreign exchange contracts and share put option which are marked to market as at 31 December 2022.

23. MATERIAL LITIGATION

Save as disclosed below, there is no material litigation as at the date of this report.

On 14 January 2019, Proton Automobiles (China) Ltd. ("PACL") was served with a Civil Complaint, filed at the Guangdong High People's Court ("GHC"), by Goldstar Heavy Industrial Co., Ltd. ("Goldstar"), involving PACL and Perusahaan Otomobil Nasional Sdn. Bhd. ("PONSB") as Defendants. PACL is a wholly-owned subsidiary company of PONSBB and PONSBB is a wholly-owned subsidiary company of PROTON Holdings Berhad ("PHB") which in turn is a 50.10% owned subsidiary company of DRB-HICOM Berhad ("Company").

Goldstar is claiming, inter alia, the sum of Renminbi ("RMB") 860,613,418 (equivalent to RM522,908,713 based on Bank Negara Exchange Rate as at 17 January 2019 of RMB1: RM0.6076). The claims arose as a result of the Equity Joint Venture Contract ("EJVC") dated 17 April 2015, entered into between PHB, Lotus Group International Limited ("LGIL") and Goldstar on the establishment of a joint venture company named Goldstar Lotus Automobile Co., Ltd. ("GLAC"); and its termination on 22 January 2018, amongst others. The said termination had been announced to Bursa Malaysia Securities Berhad on 23 January 2018.

The purpose of the EJVC was to form a joint venture company to produce and sell LOTUS branded passenger cars, engines, parts and components, accessories and to provide after-sales services (including spare parts) in connection with its products in the People's Republic of China.

GLAC has not yet commenced its business operations due to Goldstar's breach of its sole material obligation under the EJVC to obtain the required manufacturing licence. The deadline to obtain the manufacturing licence pursuant to the EJVC was originally 25 September 2017. This was subsequently extended to 31 December 2017. Pursuant to the EJVC, failure to obtain the said manufacturing licence within the agreed timeframe entitles either party to terminate the EJVC.

On the advice of appointed lawyers, as one of the steps to defend the claims and to ensure that the rights of the Company are protected, PONSBB filed a Jurisdiction Opposition Notice ("JON") on 4 April 2019 to oppose GHC's jurisdiction to hear the Civil Complaint. The main reason for filing the JON is that the Joint Venture Contract entered into between Goldstar and PACL dated 17 June 2002 ("2002 JVC") had been subsequently terminated by a termination agreement entered into by Goldstar, PACL and PONSBB on 3 September 2013 (as supplemented and amended by a supplemental termination agreement dated 23 April 2014 and a second supplemental termination agreement dated 17 April 2015) (collectively the "TA"). The TA constitutes the full and final settlement of all previous disputes between the parties, and in this regard, the dispute resolution clause in the TA provides that all disputes relating to the TA should be submitted to arbitration in Hong Kong.

23. MATERIAL LITIGATION (Continued)

On 27 August 2019, GHC issued a ruling which held that it had jurisdiction over Goldstar's claims ("Ruling") and PONSB's jurisdictional challenge was dismissed. On 26 September 2019, PONSB filed an appeal against the Ruling to the Supreme People's Court in Beijing ("SPC"). The Hearing of the appeal was heard online on 7 July 2020 and both parties submitted their written submissions on 17 July 2020. On 5 November 2020, the Company had been notified by its appointed lawyers that the SPC had allowed PONSB's appeal, upheld PONSB's jurisdictional challenge and dismissed the earlier Ruling made by the GHC in favour of Goldstar. The SPC is of the view that the GHC has no jurisdiction to hear the case filed at the GHC. The proceedings at the GHC with respect to Goldstar's claims against PACL and PONSB for, inter alia, the sum of Renminbi (RMB) 860,613,418 (equivalent to RM522,908,713 based on Bank Negara Exchange Rate as at 17 January 2019 of RMB1: RM0.6076) will cease. As the matter has been decided by the SPC, the GHC legal suit is therefore dismissed with immediate effect.

The Company had taken the following steps to defend the claims as countermeasures:

- (i) Arbitration Proceedings under the Termination Agreement ("TA") at the Hong Kong International Arbitration Centre ("HKIAC")

In order to exercise its rights under the TA and as a corollary of challenging the GHC proceedings and pursuant to the dispute resolution clause in the TA which emphasised that disputes between parties should be settled by way of arbitration, the main reliefs sought are, declarations that:

- (a) the TA constitutes a full and final settlement of all issues and disputes under the 2002 JVC and its related agreements;
- (b) all existing, future and accrued rights and obligations of the parties pertaining to the 2002 JVC and its related agreements have ceased; and
- (c) the TA was affirmed by Goldstar with the execution of the EJVC.

The hearings, fixed on 22 February 2021 until 25 February 2021 in relation to the above Arbitration Proceedings before a single arbitrator, had proceeded as scheduled and had been duly completed. On 11 August 2021, the Tribunal of the Arbitration Proceedings made its decision and granted an Award in favour of PONSB and PACL. The said Tribunal had granted the Award, consisting of inter alia, the following declarations:

- (a) That the TA is valid and is a full and final settlement of all issues and disputes under the 2002 JVC according to the terms of the TA;
- (b) That the 2002 JVC had been terminated upon execution of the TA, whereupon all existing, future and accrued rights and obligations of the parties pertaining thereto have ceased and have no further effect;
- (c) That the TA was affirmed by Goldstar with its entry into the EJVC.

23. MATERIAL LITIGATION (Continued)

(ii) Arbitration Proceedings under the EJVC at the HKIAC

Pursuant to the dispute resolution clause in the EJVC which emphasised that disputes between parties should be settled by way of arbitration, the main reliefs sought are, declarations that:

- (a) the EJVC has been validly and effectively terminated; and
- (b) Goldstar has failed to perform its obligations under the EJVC, thus making it impossible for the EJVC to continue operation.

The hearings fixed on 3 March 2021 until 12 March 2021 in relation to the above Arbitration Proceedings before three arbitrators have proceeded as scheduled and had been duly completed. On 7 March 2022, the Company received from the Tribunal of the Arbitration Proceedings an Award in favour of PHB and LGIL. The said Tribunal had granted the Award, consisting of inter alia, the following declarations:

- (a) That the EJVC had been validly terminated on 22 February 2018;
- (b) That PHB and LGIL may under the EJVC call upon Goldstar to cause its appointed Directors of GLAC to approve the termination of the EJVC and the dissolution of GLAC at a duly called Board meeting of GLAC.

On 11 July 2022, Goldstar served an Originating Summons on PHB and LGIL applying for an Order to set aside the Award at the High Court of Hong Kong (“High Court”). The High Court has fixed both Goldstar’s application to set aside the Award and PHB’s and LGIL’s application to strike out Goldstar’s application for hearing on 15 February 2023.

On 15 February 2023, Goldstar’s application for an Order to set aside the Award has been dismissed with costs on indemnity basis by the High Court. In view of this, the striking out application by PHB and LGIL has been considered as unnecessary and consequently the High Court made no order on the same. Following the decision of the High Court, the Award issued by the Tribunal of the Arbitration Proceedings in favour of PHB and LGIL, which had been received by the Company on 7 March 2022, therefore remains valid and effective.

24. DIVIDEND

No interim dividend has been declared in the financial year ended 31 December 2022.

25. EARNINGS/(LOSS) PER SHARE

The basic and diluted earnings/(loss) per share is calculated by dividing the Group's net profit/(loss) attributable to Owners of the Company by the number of ordinary shares in issue during the financial quarter/year:

	Financial Quarter 3 Months Ended		Financial Year 12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Net profit/(loss) attributable to Owners of the Company (RM'000)	(100,062)	117,472	187,712	(296,422)
Number of ordinary shares in issue ('000)	1,933,237	1,933,237	1,933,237	1,933,237
Basic and diluted earnings/(loss) per share (sen)	(5.18)	6.08	9.71	(15.33)

26. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's preceding audited annual financial statements was not subject to any qualification.

BY ORDER OF THE BOARD

SABARINA LAILA BINTI MOHD HASHIM
Secretary

Shah Alam
21 February 2023