



# **TAN CHONG MOTOR HOLDINGS BERHAD**

*Registration No. 197201001333 (12969-P)  
(Incorporated in Malaysia)*

## **INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

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**TAN CHONG MOTOR HOLDINGS BERHAD**  
*Registration No. 197201001333 (12969-P)*  
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
 FOR THE QUARTER ENDED 31 DECEMBER 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Corresponding Quarter 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000	Current Year Corresponding To Date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
Revenue	747,897	974,611	2,959,619	4,172,447
Operating (loss)/ profit	(66,096)	38,457	(115,459)	169,557
Interest expense	(13,729)	(20,800)	(61,380)	(78,777)
Interest income	3,362	4,742	14,595	21,223
Share of profit/ (loss) of equity-accounted investees	(426)	545	946	2,324
(Loss)/ Profit before taxation	(76,889)	22,944	(161,298)	114,327
Tax income/ (expense)	9,444	(20,437)	(15,455)	(67,635)
(Loss)/ Profit for the period	(67,445)	2,507	(176,753)	46,692
(Loss)/ Profit attributable to:				
Equity holders of the Company	(69,625)	(1,012)	(165,580)	43,645
Non-controlling interests	2,180	3,519	(11,173)	3,047
	(67,445)	2,507	(176,753)	46,692
(Loss)/ Earning per share (sen)				
(a) Basic	(10.67)	(0.16)	(25.38)	6.69
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 DECEMBER 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000	Current Year To Date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
<b>(Loss)/ Profit for the period</b>	(67,445)	2,507	(176,753)	46,692
<i>Item that will not be reclassified to profit or loss:</i>				
Defined benefit plan actuarial gain	-	8,297	-	8,297
Revaluation of property, plant and equipment	-	153,428	-	153,428
<b>Total item that will not be classified to profit or loss</b>	-	161,725	-	161,725
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences for foreign operations	4,514	30	5,844	3,044
Foreign currency translation differences for an equity-accounted associate	(89)	1,823	(89)	1,823
Cash flow hedge	6,742	5,226	11,397	5,004
<b>Total items that are or may be classified subsequently to profit or loss</b>	11,167	7,079	17,152	9,871
<b>Other comprehensive income for the period, net of tax</b>	11,167	168,804	17,152	171,596
<b>Total comprehensive (loss)/ income for the period</b>	(56,278)	171,311	(159,601)	218,288
<b>Total comprehensive (loss)/ income attributable to:</b>				
Equity holders of the Company	(62,940)	166,258	(154,454)	211,469
Non-controlling interests	6,662	5,053	(5,147)	6,819
	(56,278)	171,311	(159,601)	218,288

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



**TAN CHONG MOTOR HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	<b>As at</b> <b>31.12.2020</b> <b>RM'000</b>	<b>As at</b> <b>31.12.2019</b> <b>RM'000</b>
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment *	2,311,657	2,250,999
Investment properties	230,495	216,725
Intangible assets	759	759
Equity-accounted investees	75,969	61,811
Deferred tax assets	120,384	95,741
Hire purchase receivables	489,860	551,779
	<u>3,229,124</u>	<u>3,177,814</u>
<b><u>Current assets</u></b>		
Other investments	170,306	12,166
Inventories	772,706	1,527,069
Contract assets	19,377	17,663
Current tax assets	11,162	16,145
Hire purchase receivables	93,053	95,430
Receivables, deposits and prepayments	424,888	575,003
Derivative financial assets	17,914	4,139
Cash and cash equivalents	581,962	407,786
	<u>2,091,368</u>	<u>2,655,401</u>
<b>TOTAL ASSETS</b>	<u><u>5,320,492</u></u>	<u><u>5,833,215</u></u>

\* Included in this amount was withdrawal of inventories with a total cost of RM105 million (2019: RM48 million) for the business of subscription plans in one of the subsidiaries of the Group.



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020 (continued)**

	<b>As at 31.12.2020 RM'000</b>	<b>As at 31.12.2019 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity</u></b>		
Share capital	336,000	336,000
Reserves	2,531,552	2,708,944
Treasury shares	(25,866)	(25,364)
<b>Total equity attributable to owners of the Company</b>	<b>2,841,686</b>	<b>3,019,580</b>
Non-controlling interests	(16,995)	(11,548)
<b>Total equity</b>	<b>2,824,691</b>	<b>3,008,032</b>
<b><u>Non-current liabilities</u></b>		
Borrowings	-	499,286
Lease liabilities	74,894	72,754
Employee benefits	95,599	81,988
Deferred tax liabilities	208,989	213,100
Contract liabilities	52,899	59,670
	<b>432,381</b>	<b>926,798</b>
<b><u>Current liabilities</u></b>		
Borrowings	1,501,493	1,096,854
Lease liabilities	23,072	32,654
Derivative financial liabilities	2,980	690
Taxation	2,350	5,770
Contract liabilities	23,034	21,565
Payables and accruals	510,491	740,852
	<b>2,063,420</b>	<b>1,898,385</b>
<b>Total liabilities</b>	<b>2,495,801</b>	<b>2,825,183</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,320,492</b>	<b>5,833,215</b>
Net assets per share attributable to owners of the Company (RM)	4.36	4.63

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



**TAN CHONG MOTOR HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 31 DECEMBER 2020**

	-----Attributable to owners of the Company-----							Total	Non- controlling interests	Total equity
	-----Non-Distributable-----			-----Distributable-----						
	Share capital RM'000	Treasury shares RM'000	Translation reserves RM'000	Revaluation reserve RM'000	Hedging reserves RM'000	Capitalisation of retained earnings RM'000	Retained earnings RM'000	RM'000	RM'000	RM'000
<b>At 01.01.2019</b>	336,000	(25,283)	(14,284)	701,438	(1,467)	100	1,837,794	2,834,298	(18,067)	2,816,231
Other comprehensive income for the period, net of tax	-	-	5,062	149,707	5,004	-	8,051	167,824	3,772	171,596
Transfer of revaluation surplus on properties	-	-	-	(9,944)	-	-	9,944	-	-	-
Profit for the period	-	-	-	-	-	-	43,645	43,645	3,047	46,692
Total comprehensive income/ (loss) for the period	-	-	5,062	139,763	5,004	-	61,640	211,469	6,819	218,288
Purchase of treasury shares	-	(81)	-	-	-	-	-	(81)	-	(81)
Dividend - 2018 final	-	-	-	-	-	-	(13,053)	(13,053)	-	(13,053)
Dividend - 2019 interim	-	-	-	-	-	-	(13,053)	(13,053)	(300)	(13,353)
<b>At 31.12.2019</b>	336,000	(25,364)	(9,222)	841,201	3,537	100	1,873,328	3,019,580	(11,548)	3,008,032
<b>At 01.01.2020</b>	336,000	(25,364)	(9,222)	841,201	3,537	100	1,873,328	3,019,580	(11,548)	3,008,032
Other comprehensive income for the period, net of tax	-	-	5,190	-	11,397	-	-	16,587	565	17,152
Transfer of revaluation surplus on properties	-	-	-	(13,314)	-	-	13,314	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	344	-	-	(5,910)	(5,566)	5,461	(105)
Loss for the period	-	-	-	-	-	-	(165,580)	(165,580)	(11,173)	(176,753)
Total comprehensive (loss)/ income for the period	-	-	5,190	(12,970)	11,397	-	(158,176)	(154,559)	(5,147)	(159,706)
Purchase of treasury shares	-	(502)	-	-	-	-	-	(502)	-	(502)
Dividend - 2019 final	-	-	-	-	-	-	(13,049)	(13,049)	-	(13,049)
Dividend - 2020 interim	-	-	-	-	-	-	(9,784)	(9,784)	(300)	(10,084)
	336,000	(25,866)	(4,032)	828,231	14,934	100	1,692,319	2,841,686	(16,995)	2,824,691

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**CUMULATIVE QUARTER**

	<b>For the 12 months ended</b>	<b>For the 12 months ended</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/ Profit before taxation	(161,298)	114,327
Adjustments for:		
Non-cash and non-operating items	243,911	183,665
<b>Operating profit before working capital changes</b>	82,613	297,992
<b>Changes in working capital</b>		
Inventories	636,028	(334,401)
Hire purchase receivables	52,950	107,752
Receivables, deposits and prepayments	147,961	72,358
Payables and accruals	(249,731)	(41,908)
Contract assets	(1,714)	(974)
Contract liabilities	(5,302)	21,899
Cash from operations	662,805	122,718
Tax paid	(43,433)	(86,721)
Interest paid	(44,338)	(57,554)
Employee benefits paid	(2,729)	(2,315)
<b>Net cash from/ (used in) operating activities</b>	572,305	(23,872)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(122,850)	(240,413)
Net (acquisition of)/ proceeds from disposal of other investment	(158,140)	114,702
Acquisition of share in equity-accounted investees	(15,000)	-
Dividend received from equity-accounted investees	1,700	250
Proceeds from disposal of property, plant and equipment	23,631	23,975
<b>Net cash used in investing activities</b>	(270,659)	(101,486)



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

	<b>CUMULATIVE QUARTER</b>	
	<b>For the 12 months ended</b>	<b>For the 12 months ended</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Company	(22,833)	(26,106)
Dividends paid to non-controlling interests	(300)	(300)
Purchase of own shares	(502)	(81)
Net (repayment of)/ proceeds from bills payable	(115,062)	163,630
Net proceeds from/ (repayment of) medium term notes, term loans, and revolving credit	25,373	(103,336)
Payment of lease liabilities	(21,674)	(21,256)
<b>Net cash (used in)/ from financing activities</b>	<b>(134,998)</b>	<b>12,551</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>166,648</b>	<b>(112,807)</b>
<b>Effects of exchange rate fluctuations on cash and cash equivalents</b>	<b>7,528</b>	<b>(1,525)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>407,786</b>	<b>522,118</b>
<b>Cash and cash equivalents at end of the period</b>	<b>581,962</b>	<b>407,786</b>
Cash and cash equivalents in the statement of cash flows comprise:		
Cash and bank balances	407,587	201,509
Deposits with licensed banks	174,375	206,277
	<b>581,962</b>	<b>407,786</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



## A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting

### 1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of Tan Chong Motor Holdings Berhad (“TCMH”) and its subsidiaries, associates and joint venture (“the Group”) as at and for the year ended 31 December 2019.

### 2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2019, except the adoption of the following Malaysian Financial Reporting Standards (“MFRSs”), Amendments to MFRSs and IC Interpretations:

#### *Effective for annual periods beginning on or after 1 January 2020*

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 7, *Financial Instruments: Disclosures*, MFRS 9, *Financial Instruments*, and MFRS 139, *Financial Instruments: Recognition and Measurement - Interest Rate Benchmark Reform*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

#### *Effective for annual periods beginning on or after 1 June 2020*

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

The Group has early adopted Amendments to MFRS 16, *Leases – Covid-19 Related Rent Concessions* in the current financial year which is effective for the financial period commencing 1 January 2020.

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

#### **MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective**

The following MFRSs, Amendments to MFRSs have been issued but are not yet effective, and have yet to be adopted other than marked “\*” which are not applicable to the Group:-

#### *Effective for annual periods beginning on or after 17 August 2020*

- Extension of the *Temporary Exemption from Applying MFRS 9* (Amendments to MFRS 4, *Insurance Contracts*) \*

#### *Effective for annual periods beginning on or after 1 January 2021*

- Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

#### *Effective for annual periods beginning on or after 1 January 2022*

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018 – 2020)*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018 – 2020)*
- Amendments to MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018 – 2020)*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018 – 2020)* \*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts-Cost of fulfilling a Contract*

**A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting (continued)**

**2. Changes in Accounting Policies (continued)**

*Effective for annual periods beginning on or after 1 January 2023*

- MFRS 17, *Insurance Contracts* \*
- Amendments to MFRS 17, *Insurance Contracts* \*
- Amendments to MFRS 101, *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*

*Effective for a date yet to be confirmed*

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of the Group.

**3. Audit Qualifications**

There were no audit qualifications in the annual financial statements for the year ended 31 December 2019.

**4. Seasonal or Cyclical Factors**

During the quarter, the business of the Group had not been affected by any significant seasonal or cyclical factors, apart from the general economic environment in which it operated.

**5. Unusual Items**

There were no unusual items that have a material effect on the assets, liabilities, equity, net income or cash flows for the period except for the material event as disclosed under note A13(a).

**6. Material Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial year.

**7. Debt and Equity Securities**

During the quarter under review, the Company repurchased 259,000 units of its issued ordinary shares from the open market at an average price of RM1.16. Total consideration paid for the repurchase including transaction cost was RM299,772 and this was financed by internally generated funds. Cumulative total number of shares repurchased at the end of the financial quarter was 19,809,000. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

Under the Group's Asset-Backed Medium Term Notes ("MTN") Programme, the Group has redeemed RM14.0 million nominal value of MTN. The outstanding nominal value of MTN comprising Class A, Class B and Class C was RM107.3 million at the end of the financial quarter.

Under the combined aggregate nominal value of RM1.5 billion of Commercial Papers and Medium Term Notes Programmes, the outstanding nominal value of Medium Term Notes stood at RM500.0 million at the end of the financial quarter.

Save for the above, there were no other issuance and repayment of debt securities, share cancellation and resale of treasury shares during the period.

**A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting (continued)**

**8. Dividend Paid**

An interim single tier dividend of 1.5 sen per share for the year ended 31 December 2020 (2019: single tier dividend of 2 sen per share) amounting to RM9.78 million (2019: RM13.05 million) was paid on 28 December 2020.

**9. Segmental Reporting**

(a) Business segment reporting for the current quarter:

	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	727,627	949,591	17,085	18,617	3,185	6,403	747,897	974,611
Inter-segment revenue	732	519	210	1,509	18,384	16,426	19,326	18,454
Segment EBITDA*	(44,105)	84,940	19,563	6,524	(9,934)	(12,366)	(34,476)	79,098

\*Segment earnings before interest, taxation, depreciation and amortisation

**Reconciliation of reportable segment profit or loss:**

	31.12.2020	31.12.2019
	RM'000	RM'000
Total EBITDA for reportable segments	(34,476)	79,098
Depreciation and amortisation	(27,982)	(34,094)
Interest expense	(13,729)	(20,800)
Interest income	3,362	4,742
Share of profit/ (loss) of equity-accounted investees not included in reportable segments	(426)	545
Unallocated corporate expenses	(3,638)	(6,547)
Consolidated (loss)/ profit before taxation	(76,889)	22,944

(b) Business segment reporting for the current year-to-date period:

	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	2,870,100	4,073,346	70,063	80,857	19,456	18,244	2,959,619	4,172,447
Inter-segment revenue	1,936	2,713	3,088	1,526	76,949	69,581	81,973	73,820
Segment EBITDA*	21,618	300,572	20,897	26,394	(2,046)	1,187	40,469	328,153

\*Segment earnings before interest, taxation, depreciation and amortisation

**Reconciliation of reportable segment profit or loss:**

	31.12.2020	31.12.2019
	RM'000	RM'000
Total EBITDA for reportable segments	40,469	328,153
Depreciation and amortisation	(136,935)	(137,012)
Interest expense	(61,380)	(78,777)
Interest income	14,595	21,223
Share of profit of equity-accounted investees not included in reportable segments	946	2,324
Unallocated corporate expenses	(18,993)	(21,584)
Consolidated (loss)/ profit before taxation	(161,298)	114,327

**A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting (continued)**

**9. Segmental Reporting (continued)**

(c) Geographical segment reporting for the current quarter:

	Malaysia		Vietnam		Others		Total	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	652,855	795,574	31,777	105,080	63,265	73,957	747,897	974,611
Segment EBITDA	(16,799)	71,080	(19,861)	6,191	2,184	1,827	(34,476)	79,098

(d) Geographical segment reporting for the current year-to-date period:

	Malaysia		Vietnam		Others		Total	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	2,393,518	3,261,845	290,690	560,892	275,411	349,710	2,959,619	4,172,447
Segment EBITDA	101,675	317,720	(84,011)	(11,747)	22,805	22,180	40,469	328,153

**10. Valuation of Property, Plant and Equipment**

The valuation of property, plant and equipment was brought forward without amendment from the audited financial statements for the year ended 31 December 2019.

**11. Valuation of Investment Properties**

Pursuant to the fair value model applied for investment properties, the fair value loss (net of deferred tax) of RM0.7 million has been incorporated into the current year profit or loss.

The valuation was carried out by independent firm of professional valuer, Rahim & Co. Chartered Surveyors Sdn Bhd, using open market value with existing use basis.

**12. Other Investments**

	31.12.2020 RM'000	31.12.2019 RM'000
<b>Current</b>		
Liquid investments in quoted unit trusts with licensed financial institutions	170,306	12,166
Total	170,306	12,166

**A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting (continued)**

**13. Material Events**

There has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group except for the following:

- (a) We refer to the previous announcements dated 27 May 2020, 13 August 2020, 24 August 2020, 3 September 2020 and 29 March 2021 in relation to the bills of demand amounting to approximately RM180 million issued by the Royal Malaysian Customs Department (“RMCD”) to Tan Chong Motor Assemblies Sdn. Bhd. (“TCMA”), a subsidiary of the Company.

Consequent to the issuance of the said bills, TCMA applied to the High Court to commence judicial review proceedings to challenge the RMCD’s decisions to issue the said bills and to date, TCMA had been granted an interim stay of proceedings by the High Court in relation to the payment of the disputed taxes.

TCMA had finally agreed with RMCD to resolve the technical issues amicably out of court by way of reduced bills of demand and compound amounting to approximately RM109 million, subject to the finalisation of the terms of the consent order in respect of the amicable settlement. On that note, the Company wishes to highlight that this matter has been resolved amicably and expeditiously as this will enable TCMA to focus on its core business instead of being entangled in a protracted litigation.

In respect of the material event stated above, for accounting purposes, all the outstanding amounts have been provided for in the financial statements for the financial year ended 31 December 2020.

- (b) Under the Group’s Asset-Backed Medium Term Notes (“MTN”) Programme, the Group has exercised the clean-up call option in Class C Notes Series 2009-A, Class C Notes Series 2010-A, Class C Notes Series 2010-B, Class C Notes Series 2011-A, Class C Notes Series 2014-A (“relevant series”) and purchased all of the outstanding receivables comprised in receivables of relevant series on 31 January 2021. Upon the completion of the clean-up call option, the remaining outstanding nominal value of MTN comprising Class A, Class B and Class C would be RM101.7 million (outstanding nominal value was RM107.3 million at the end of the financial year).

**14. Changes in Composition of the Group**

There were no other changes in the composition of the Group for the quarter under review.

**15. Changes in Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets as at 31 December 2020 except as disclosed in Part B, Note 9 of the Announcement.

A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting (continued)

16. Commitments Outstanding not provided for in the Interim Financial Report

	31.12.2020	31.12.2019
	RM'000	RM'000
<i>Property, plant and equipment</i>		
Authorised but not contracted for	133,006	148,366
Authorised and contracted for		
In Malaysia	29,346	54,764
Outside Malaysia	101,740	133,560
Total	<u>264,092</u>	<u>336,690</u>

17. Significant Related Party Transactions

- (a) Significant transactions with Warisan TC Holdings Berhad (“WTCH”), APM Automotive Holdings Berhad (“APM”) and Tan Chong International Limited (“TCIL”) Groups, companies in which a Director of the Company, namely Dato’ Tan Heng Chew, is deemed to have substantial financial interests, are as follows:

	Individual Quarter		Cumulative Quarter	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
<b>With WTCH Group</b>				
Purchases	(20,253)	(14,382)	(39,852)	(50,722)
Sales	3,812	(14,379)	15,733	55,461
Travel agency and car rental services	300	814	(1,658)	(3,211)
Contract assembly services	1,184	583	4,587	7,701
<b>With APM Group</b>				
Purchases	173	(24,108)	(26,347)	(101,944)
Sales	905	2,721	3,521	26,347
<b>With TCIL Group</b>				
Sales	1,837	1,281	10,616	7,921
Contract assembly services	3,140	1,945	7,544	17,931

These transactions had been entered into in the normal course of business and had been established under negotiated terms.

**A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting (continued)**

**17. Significant Related Party Transactions (continued)**

- (b) Significant transactions with Nissan Motor Co. Limited Group, Japan, which is a substantial shareholder of the Company, are as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Purchases	(284,770)	(326,286)	(705,321)	(1,541,013)

These transactions had been entered into in the normal course of business and had been established under negotiated terms.

- (c) Significant transactions with Auto Dunia Sdn. Bhd.:
- i. a company in which Directors of certain subsidiaries of the Company, namely Datuk Yaacob bin Wan Ibrahim and Datuk Abdullah bin Abdul Wahad, have substantial financial interests; and
  - ii. a company connected with a Director of the Company, Dato' Tan Heng Chew, by virtue of Section 197 of the Companies Act, 2016,
- are as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Purchases	(20,096)	(109,775)	(54,836)	(461,856)
Sales	6,926	623	11,765	24,094

These transactions had been entered into in the normal course of business and had been established under negotiated terms.

## **B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

### **1. Analysis of Performance of All Operating Segments**

For the quarter ended 31 December 2020, the Group recorded revenue of RM747.9 million and loss before tax of RM76.8 million, a decrease of 23.3% and 435.1% respectively compared to the same quarter preceding year.

For the year ended 31 December 2020, the Group recorded revenue of RM2,959.6 million and loss before tax of RM161.2 million, a decrease of 29.1% and 241.1% respectively compared to the same period preceding year.

As at 31 December 2020, the Group's retained earnings was RM1.69 billion. The net assets per share as at 31 December 2020 was RM4.36, compared to RM4.63 as at 31 December 2019. Further analysis of the performance of the business segments is as follows:

#### **(a) Vehicles Assembly, Manufacturing, Distribution & After-Sales Services (Automotive)**

The automotive division recorded a lower revenue of RM727.6 million in the current quarter under review (-23.4% year-on-year ("YoY")) and Loss Before Interest, Tax, Depreciation and Amortisation ("LBITDA") of RM44.1 million (-151.9% YoY). The LBITDA was mainly due to the impact arising from the settlement of the Bills of Demand from Royal Malaysian Customs Department.

As for the year ended 31 December 2020, the automotive division recorded a lower revenue of RM2,870.1 million (-29.5% YoY) and Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") of RM21.6 million (-92.8% YoY). The lower EBITDA for the year ended 31 December 2020 was mainly due to the impact arising from the settlement of the Bills of Demand from Royal Malaysian Customs Department.

The Malaysian automotive sector has been highly competitive despite weakened consumers sentiments in an economy trying to grasp with the impacts brought on by the pandemic. Total industry volume ("TIV") had shown some gradual improvement during the quarter under review, aided by the full sales tax exemption for locally assembled vehicles from 15 June 2020 to 31 December 2020, which has now been extended to 30 June 2021. Similarly, the businesses in the overseas markets have also been affected by the pandemic, albeit to a lesser extent. The disruptions caused by the pandemic have led to a decline in revenue and earnings compared to preceding year.

#### **(b) Financial Services (Hire Purchase and Insurance)**

The financial services division recorded a lower revenue of RM17.1 million in the current quarter under review (-8.2% YoY). However, there was a significant improvement in the EBITDA of RM19.6 million (+199.9% YoY). The improvement was mainly due to the reversal of impairment on hire purchase receivables recognised during the quarter under review.

As for the year ended 31 December 2020, the financial services division recorded a lower revenue of RM70.1 million (-13.3% YoY) and a lower EBITDA of RM20.9 million (-20.8% YoY). The reduction in EBITDA was mainly due to higher impairment loss on hire purchase receivables in the current financial year, majority of which was recognised in the second quarter of 2020.

#### **(c) Other Operations (Investments and Properties)**

Revenue from Other Operations was higher at RM3.2 million in the current quarter under review (-50.3% YoY). LBITDA was at RM9.9 million (-19.7% YoY), mainly caused by higher net foreign exchange loss in the current quarter under review.

As for the financial year ended 31 December 2020, revenue from Other Operations was higher at RM19.5 million (+6.6% YoY) but LBITDA was at RM2.0 million (-272.4% YoY). The LBITDA was mainly due to higher net foreign exchange loss in the current financial year which mainly arose from transactions and outstanding balances denominated in foreign currencies.



**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**2. Comparison with Preceding Quarter's Results**

	<b>Current Quarter 31.12.2020 RM'000</b>	<b>Immediate Preceding Quarter 30.09.2020 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	747,897	964,543	(216,646)	-22.5%
(Loss)/Profit before tax	<u>(76,889)</u>	<u>1,722</u>	(78,611)	>-100.0%
<b><u>External Revenue</u></b>				
Vehicles assembly, manufacturing, distribution and after-sales services	727,627	940,266	(212,639)	-22.6%
Financial services	17,085	18,485	(1,400)	-7.6%
Other operations	3,185	5,792	(2,607)	-45.0%
	<u>747,897</u>	<u>964,543</u>	(216,646)	-22.5%
<b><u>Segment EBITDA</u></b>				
Vehicles assembly, manufacturing, distribution and after-sales services	(44,105)	55,425	(99,530)	-179.6%
Financial services	19,563	14,286	5,277	36.9%
Other operations	(9,934)	(8,973)	(961)	-10.7%
	<u>(34,476)</u>	<u>60,738</u>	(95,214)	>-100.0%

The Group recorded revenue of RM747.9 million in the current quarter ended 31 December 2020, lower by RM216.6 million or 22.5% compared to RM964.5 million in the preceding quarter. In line with the reduction in revenue, the Group recorded Loss Before Tax of RM76.9 million in the current quarter under review compared to Profit Before Tax of RM1.7 million in the preceding quarter.

**(a) Vehicles Assembly, Manufacturing, Distribution & After-Sales Services (Automotive)**

For the current quarter under review, the automotive division recorded a lower revenue of RM727.6 million, a decrease of 22.6% compared to the preceding quarter ("QoQ"). Consequently, the division recorded a LBITDA of RM44.1 million (-179.6% QoQ). The LBITDA was mainly due to the impact arising from the settlement of the Bills of Demand from Royal Malaysian Customs Department.

Despite the launch of the all new Almera Turbo on 1 November 2020, revenue and earnings had declined due to stiffer competition from other vehicle brands and to a certain extent, the Conditional Movement Control Order ("CMCO") implemented since 9 November 2020 as a result of the surging COVID-19 cases in most part of the country.

**(b) Financial Services (Hire Purchase and Insurance)**

The financial services division recorded revenue of RM17.1 million (-7.6% QoQ) and EBITDA of RM19.6 million (+36.9% QoQ) in the current quarter under review. The improvement in EBITDA was mainly due to the higher reversal of impairment loss on hire purchase receivables recognised in the current quarter under review.

## B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)

### 2. Comparison with Preceding Quarter's Results (continued)

#### (c) Other Operations (Investments and Properties)

Other Operations division recorded revenue of RM3.2 million (-45.0% QoQ) and LBITDA of RM9.9 million (-10.7% QoQ) in the current quarter under review. The LBITDA was mainly due to higher net foreign exchange loss in the current quarter under review which mainly arose from transactions and outstanding balances denominated in foreign currencies.

### 3. Future Prospects

The Malaysian government has maintained its forecast of Gross Domestic Product (GDP) growth at 6.5% to 7.5% in 2021 despite the implementation of Movement Control Order ("MCO") 2.0, largely underpinned by the expected recovery of the global economy, which is estimated to rebound by 5.5% growth in 2021.

The Malaysian Government's incentives of full sales tax exemption for locally assembled vehicles and 50% exemption for imported completely-built-up ("CBU") vehicles has been extended to 30 June 2021 and is expected to continue benefitting the industry for the first half of 2021.

The all-new Almera Turbo which was launched in November 2020 will be the Group's main catalyst for sales growth in 2021. Taking cognizance of the highly competitive domestic automotive industry, the Group will continue to take appropriate actions to penetrate the domestic market with other new product launches moving forward.

The Group expects challenging conditions ahead in view of the uncertainties surrounding the economic recovery in Malaysia as well as in the region caused by the pandemic. The management is monitoring closely the development in Myanmar due to the uncertainties in the political situation that may affect the business environment and consumer spending. Overall, the pandemic has been a catalyst for the Group to accelerate the digital technology adoption and change the ways of doing things – focusing more on online platforms and virtual processes. This allows the Group to adapt to the new norms and be able to continue with its business operations despite the disruptive effects caused by the pandemic.

Forging ahead, the Group will continue to take active measures to improve its competitiveness in all the markets we operate in and maintain our focus on optimising its operations and conserve its cash and expects to mitigate the adverse impact through cost containment initiatives in order to maintain a sustainable financial position and drive further business growth.

### 4. Comparison with Profit Forecast

This is not applicable to the Group.

### 5. Taxation

	Individual Quarter		Cumulative Quarter	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Current year	16,477	17,807	44,576	69,966
Prior year	(339)	(8)	683	(890)
Deferred tax	(25,582)	2,638	(29,804)	(1,441)
	<u>(9,444)</u>	<u>20,437</u>	<u>15,455</u>	<u>67,635</u>

For the current quarter under review, the Group recorded a tax credit position mainly due to deferred tax adjustments. For the financial year ended 31 December 2020, the Group had a tax charge of RM15.5 million despite recording a Loss Before Tax position. This was mainly due to tax charges in certain profitable subsidiaries of the Group, certain expenses being disallowed for tax purposes and the absence of Group Tax Relief to utilise some of the tax losses in the subsidiaries of the Company.

**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at reporting date.

**7. Group Borrowings**

Group borrowings as at the end of the reporting period are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Unsecured :		
- Bills payable	56,824	171,886
- Revolving credit	884,811	924,968
- Short term loan	60,202	-
- Medium term notes	499,656	499,286
Total borrowings	<u>1,501,493</u>	<u>1,596,140</u>
Comprising :		
Amount repayable within one year	1,501,493	1,096,854
Amount repayable after one year	-	499,286
	<u>1,501,493</u>	<u>1,596,140</u>

Group borrowings breakdown by currencies:

		<b>31.12.2020</b>	<b>31.12.2019</b>
		<b>RM'000</b>	<b>RM'000</b>
Functional currency	Denominated in		
RM	RM	1,214,480	1,300,606
RM	USD	214,596	225,707
VND	VND	72,417	60,758
VND	USD	-	9,069
		<u>1,501,493</u>	<u>1,596,140</u>

**8. Financial Instruments**

**Derivatives**

As at 31 December 2020, the notional amount, fair value and maturity period of the forward foreign exchange contracts are as follows:

Type of Derivatives	Notional Amount RM'000	Net Fair Value Assets/ (Liabilities) RM'000	Maturity
Forward foreign exchange contracts	85,147	14,934	Less than 1 year

Forward foreign exchange contracts are entered into with locally incorporated licensed banks to hedge certain portion of the Group's purchases from exchange rate movements and repayments from overseas subsidiaries. As the exchange rates are predetermined under such contracts, in the event of exchange rate movement, exposure to opportunity gain/ (loss) is expected. Given that the contracts are entered into with locally incorporated licensed banks, we are of the view that credit risk and the counterparty risk are minimal. Apart from a small fee payable to the banks, there are no cash requirements for the forward contracts.

It is the Group's policy not to enter into hedging contracts, which in the aggregate, relate to volumes that exceed the expected commercial requirements for imports.

**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**9. Changes in Material Litigation**

**(a) Motion to Correct Counter Claim from Narita Motorcare (Cambodia) Co. Ltd (“Narita”) and Others**

On 26 April 2017, Narita filed a Motion to Add and Correct Complaint and a counter claim complaint to, amongst others, order ETCM (C) Pty Ltd (“ETCM (C)”) and TCM (Cambodia) Pty Ltd (“TCMC”) to pay damages and compensation of USD6,550,000 to Narita, USD200,000 each to Mr. Long Narith and Ms. Pich Sokhom. On 9 May 2017, ETCM (C) and TCMC jointly filed their defence to the Motion to Add and Correct Complaint and ordered Narita, Mr. Long Narith and Ms. Pich Sokhom to pay ETCM (C) and TCMC damages with approximately USD33,000,000 for actual losses and emotional damages. On 26 November 2017, the Court of First Instance in Phnom Penh has ruled in favour of ETCM (C) and TCMC and ordered Narita, Mr. Long Narith and Ms. Pich Sokhom to compensate ETCM (C) and TCMC approximately USD8,037,818 for actual losses and emotional damages (“Damages”). Subsequently, Narita, Mr. Long Narith and Ms. Pich Sokhom have filed an appeal with Court of Appeal against the decision made in November 2017.

On 2 May 2018, the Court of Appeal upheld the decision of the Court of First Instance in Phnom Penh which ruled in favour of ETCM (C) and TCMC but cancelled the Damages to ETCM (C) and TCMC and instead ordered ETCM (C) and TCMC to pay USD329,208 to Narita, represented by Mr. Long Narith and Ms. Pich Sokhom (“COA’s Award”). On 28 May 2018, solicitors for both ETCM (C) and TCMC filed an appeal against COA’s Award at the Supreme Court.

The Supreme Court had, on 5 June 2019, concurred with the Court of Appeal’s decision on the non-existence of agreement between ETCM (C) and TCMC with Narita but dismissed the Court of Appeal’s decision and made a ruling to return the appeal case to the Court of Appeal on the COA’s Award. Currently, ETCM (C) and TCMC are awaiting the summon from the Court of Appeal for hearing on the points dismissed by the Supreme Court.

**(b) Writ of Summons and Statement of Claim served on Tan Chong Industrial Equipment Sdn Bhd (“TCIE”)**

On 15 August 2017, TCIE, a wholly-owned subsidiary of the Company received a sealed Writ of Summons dated 12 August 2017 and Statement of Claim dated 11 August 2017, a sealed copy of a Notice of Application for Injunction dated 12 August 2017 and supporting Affidavit dated 11 August 2017 (“the Action”) from the solicitors acting for Transnasional Express Sdn. Bhd. (“Transnasional”), Plusliner Sdn. Bhd. (“Plusliner”), Syarikat Kenderaan Melayu Kelantan Berhad (“SKMK”), Syarikat Rembau Tampin Sdn. Bhd. (“SRT”), Kenderaan Langkasuka Sdn. Bhd. (“Langkasuka”), Konsortium Transnasional Berhad (“KTB”) and MHSB Properties Sdn Bhd (“MHSB”) (collectively known as “Plaintiffs”).

TCIE entered into a series of lease agreements with Transnasional, Plusliner and SKMK and a series of service maintenance agreements with Transnasional, Plusliner, SKMK, SRT and Langkasuka (collectively known as “Debtors”) for the lease and service maintenance of the vehicles. The Debtors were owing to TCIE outstanding rentals and service bills amounting to RM32,920,575 (“Debt”).

After lengthy negotiations, the Debtors and KTB mutually agreed to enter into a Settlement Agreement with TCIE on 4 July 2016 to settle the Debt by way of:

- i. repayment of the amount of RM16,920,575 in cash in several instalments; and
- ii. transfer of a piece of land held under H.S.(D) 87546, PT No. 7929, Bandar Ampang, Daerah Ulu Langat, Negeri Selangor (“Land”) owned by MHSB to TCIE for the settlement of the balance Debt of RM16,000,000 (“Balance Debt”) (“Settlement Agreement”).

As the Debtors failed to make timely repayments of the Balance Debt in accordance with the Settlement Agreement; TCIE had exercised its contractual rights to repossess the vehicles leased to the Debtors.

**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**9. Changes in Material Litigation (continued)**

**(b) Writ of Summons and Statement of Claim served on Tan Chong Industrial Equipment Sdn Bhd (“TCIE”) (continued)**

As a result, the Plaintiffs filed the Action seeking, amongst others, an injunction to restrain TCIE from:

- i. proceeding with the repossession and disposal of the vehicles and
- ii. entering into any dealing in relation to the Land, as well as a declaration that the value of the Land was RM55,600,000 and repayment of the sum of RM22,679,425 to MHSB (“Plaintiffs’ Claim”).

TCIE filed a Defence and application to strike out the Plaintiffs’ Claim.

On 4 January 2018, the High Court allowed TCIE’s application to strike out the Plaintiffs’ Claim and dismissed the Plaintiffs’ injunction application with costs of RM5,000 (“the High Court Striking Out Order”).

On 15 November 2018, the Court of Appeal had allowed the Plaintiffs’ Appeal with costs in the cause and set aside the High Court Striking Out Order of 4 January 2018 (“the Court of Appeal Order”).

On 27 December 2018, TCIE filed an application for leave at the Federal Court to appeal against the Court of Appeal Order dated 15 November 2018 (“the Leave Application”).

On 13 December 2018, the Plaintiffs withdrew their injunction application against TCIE with no order to costs.

On 8 April 2019, the Plaintiffs filed an application for discovery and the decision in respect of the discovery application was delivered on 11 July 2019. The High Court allowed the Plaintiff’s application for discovery in part (i.e. which required production of copies of the 3 valuation reports as referred to in the minutes dated 24 May 2016) and dismissed the application for the production of documents relating to Form 14A of the Sale and Purchase Agreement and copies of all documents relating to the stamp duty adjudication and appeal (“High Court Discovery Order”).

On 16 July 2019, TCIE filed the Notice of Appeal to the Court of Appeal against the High Court Discovery Order.

On 17 July 2019, TCIE filed an application for a stay of proceedings and a stay of execution of the High Court Discovery Order pending TCIE’s appeal to the Court of Appeal on the same and TCIE’s Leave Application to the Federal Court (“Stay Application”). The Stay Application was allowed by the High Court.

On 29 September 2020, the Court of Appeal dismissed with costs TCIE’s appeal against the High Court Discovery Order.

On 2 October 2020, the High Court had during the case management of the Plaintiffs’ Action re-fixed the trial dates from 22 to 24 December 2020.

On 7 October 2020, the Federal Court dismissed with cost TCIE’s application for leave to appeal against the Court of Appeal Order regarding TCIE’s application to strike out the Plaintiffs’ Claim.

On 2 November 2020, the Plaintiffs filed an application to amend the pleadings in the High Court. The matter is fixed for hearing on 4 December 2020 and re-fixed on 14 December 2020, the High Court allowed the Plaintiff’s’ Amendment Application, with costs in the sum of RM1,000.00 to be paid by Plaintiffs to TCIE.

**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**9. Changes in Material Litigation (continued)**

**(b) Writ of Summons and Statement of Claim served on Tan Chong Industrial Equipment Sdn Bhd (“TCIE”) (continued)**

Pursuant to the Order of the High Court dated 14 December 2020, the Plaintiffs filed and served the Amended Writ and Amended Statement of Claim on 30 December 2020 and TCIE filed and served the Amended Defence on 8 January 2021.

The case was originally fixed for full trial from 8 to 12 March 2021. Subsequently, the Court had vacated the trial dates of 8 and 9 March 2021 and carried on with the hearing of the Plaintiffs’ witness statement from 10 to 12 March 2021.

The High Court had fixed further trial dates on 2, 7 and 9 April 2021 for the hearing of the defendant’s witness statement.

Save for the above, there were no other pending material litigations against the Group as at the date of this report.

**10. Dividend**

No dividend has been proposed for the fourth quarter ended 31 December 2020.

**11. Earnings per Share**

The calculation of basic earnings per share for the periods is based on the net profit attributable to ordinary shareholders of the periods and the weighted average numbers of ordinary shares outstanding during the periods as follows:

Weighted average number of ordinary shares	Individual Quarter		Cumulative Quarter	
	31.12.2020 ('000)	31.12.2019 ('000)	31.12.2020 ('000)	31.12.2019 ('000)
Issued ordinary shares at beginning of the period	652,450	652,660	652,600	652,660
Effect of shares buyback during the period	(70)	(20)	(161)	(6)
Weighted average number of ordinary shares	<u>652,380</u>	<u>652,640</u>	<u>652,439</u>	<u>652,654</u>

**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**12. Total Comprehensive Income**

Total comprehensive income is arrived at after crediting/ (charging):

	Individual Quarter		Cumulative Quarter	
	Current Year 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000	Current Year To Date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
Depreciation and amortisation	(27,982)	(34,094)	(136,935)	(137,012)
(Provision for)/ reversal and (write off) of receivables	12,734	16,850	(8,898)	14,133
(Provision for)/ reversal and (write off) of inventories	(11,036)	2,166	(12,780)	2,181
Fair value adjustment on investment properties	(930)	519	(930)	519
Foreign exchange (loss)/ gain	(18,078)	(9,043)	(17,832)	(7,890)
Gain on disposal of properties, plant and equipment	670	2,140	4,955	7,448
Property, plant and equipment written off	(4,708)	(289)	(5,431)	(921)
Gain/ (Loss) on derivatives	6,742	5,226	11,397	5,004
Gain/ (Loss) on disposal of investment	-	-	-	-
Impairment on property, plant and equipment	(2,373)	(9,770)	(2,373)	(9,770)
Other income including investment income	-	-	-	-

**BY ORDER OF THE BOARD**

WONG POH CHUN

Company Secretary

Kuala Lumpur

31 March 2021