



MBM Resources Berhad

Registration No. 199301029757 (284496-V)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**Unaudited Condensed Consolidated Financial Statements
For The First Quarter Ended 31 March 2024**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the three months ended 31 March 2024

	Note	Current Quarter Ended 31/03/2024 RM'000 (Unaudited)	Comparative Quarter Ended 31/03/2023 RM'000 (Unaudited)	3 months Cumulative To Date 31/03/2024 RM'000 (Unaudited)	Comparative 3 months Cumulative To Date 31/03/2023 RM'000 (Unaudited)
Revenue	8	617,136	555,792	617,136	555,792
Cost of sales		<u>(564,609)</u>	<u>(507,609)</u>	<u>(564,609)</u>	<u>(507,609)</u>
Gross profit		52,527	48,183	52,527	48,183
Other income		11,734	11,022	11,734	11,022
Administrative and other expenses		(26,816)	(25,304)	(26,816)	(25,304)
Selling and marketing expenses		(19,694)	(17,070)	(19,694)	(17,070)
Finance costs		(152)	(97)	(152)	(97)
Interest income		1,237	1,590	1,237	1,590
Share of results of a joint venture, net of tax		7,828	7,338	7,828	7,338
Share of results of associates, net of tax		<u>68,371</u>	<u>67,980</u>	<u>68,371</u>	<u>67,980</u>
Profit before tax	8	<u>95,035</u>	<u>93,642</u>	<u>95,035</u>	<u>93,642</u>
Income tax expense	17	<u>(5,038)</u>	<u>(4,784)</u>	<u>(5,038)</u>	<u>(4,784)</u>
Profit for the period		<u><u>89,997</u></u>	<u><u>88,858</u></u>	<u><u>89,997</u></u>	<u><u>88,858</u></u>
Profit for the period attributable to:					
Equity holders of the Company		80,244	79,956	80,244	79,956
Non-controlling interests		<u>9,753</u>	<u>8,902</u>	<u>9,753</u>	<u>8,902</u>
Profit for the period		<u><u>89,997</u></u>	<u><u>88,858</u></u>	<u><u>89,997</u></u>	<u><u>88,858</u></u>

These Unaudited 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 2023 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)
For the three months ended 31 March 2024

	Current Quarter Ended 31/03/2024 RM'000 (Unaudited)	Comparative Quarter Ended 31/03/2023 RM'000 (Unaudited)	3 months Cumulative To Date 31/03/2024 RM'000 (Unaudited)	Comparative 3 months Cumulative To Date 31/03/2023 RM'000 (Unaudited)
Profit for the period	89,997	88,858	89,997	88,858
Other comprehensive income / (loss), net of tax				
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
Share of revaluation (deficit) / surplus from fair value adjustments of assets in an associate	--	42	--	42
Share of foreign currency translation reserve of foreign operations of associates	(11)	(1)	(11)	(1)
Other comprehensive income / (loss) for the period, net of tax	(11)	41	(11)	41
Total comprehensive income for the period	89,986	88,899	89,986	88,899
Total comprehensive income attributable to:				
Equity holders of the Company	80,234	79,993	80,234	79,993
Non-controlling interests	9,752	8,906	9,752	8,906
Total comprehensive income for the period	89,986	88,899	89,986	88,899
Earnings per ordinary share				
Basic and diluted	sen 20.53	sen 20.46	sen 20.53	sen 20.46

These Unaudited 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 2023 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 March 2024

	Note	As at end of Current Quarter 31/03/2024 RM'000 (Unaudited)	As at preceding Financial Year Ended 31/12/2023 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		186,763	186,606
Right-of-use assets		3,595	3,951
Investment properties		68,862	69,309
Prepaid land lease payments		38,187	38,330
Investment in a joint venture		99,827	92,000
Investment in associates		1,720,353	1,651,993
Other investments		2,340	2,340
Deferred tax assets		4,850	4,850
Goodwill on consolidation		1,104	1,104
Total Non-Current Assets		<u>2,125,881</u>	<u>2,050,483</u>
Current Assets			
Inventories		162,251	161,035
Trade and other receivables and prepaid expenses		167,708	185,849
Tax recoverable		1,976	1,673
Cash and bank balances		228,196	197,245
Total Current Assets		<u>560,131</u>	<u>545,802</u>
TOTAL ASSETS	8	<u>2,686,012</u>	<u>2,596,285</u>

These Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)

As at 31 March 2024

	Note	As at end of Current Quarter 31/03/2024 RM'000 (Unaudited)	As at preceding Financial Year Ended 31/12/2023 RM'000 (Audited)
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Share capital		391,651	391,651
Reserves		<u>1,816,648</u>	<u>1,736,414</u>
Equity attributable to the equity holders of the Company		2,208,299	2,128,065
Non-controlling interests		<u>307,647</u>	<u>297,895</u>
Total Equity		<u>2,515,946</u>	<u>2,425,960</u>
Non-Current Liabilities			
Deferred tax liabilities		2,896	2,896
Retirement benefits obligation		2,070	1,891
Lease liabilities		<u>1,471</u>	<u>1,661</u>
Total Non-Current Liabilities		<u>6,437</u>	<u>6,448</u>
Current Liabilities			
Short term borrowings	19	12,367	16,367
Trade and other payables and accrued expenses		145,937	142,114
Amount owing to holding company		35	63
Lease liabilities		2,223	2,404
Tax liabilities		<u>3,067</u>	<u>2,929</u>
Total Current Liabilities		<u>163,629</u>	<u>163,877</u>
Total Liabilities	8	<u>170,066</u>	<u>170,325</u>
TOTAL EQUITY AND LIABILITIES		<u>2,686,012</u>	<u>2,596,285</u>
Net assets per share attributable to owners of the Company (RM)			
		<u>5.65</u>	<u>5.44</u>

These Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three months ended 31 March 2024

Note	/--- Non-distributable reserve ---/ Foreign currency translation reserve			Distributable reserve - Retained earnings	Attributable to the equity holders of the Company	Non-controlling interests	Total equity
	Share capital RM'000	Fair value reserve RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 31 March 2023 (Unaudited)							
At 1 January 2023	391,651	3,762	(1)	1,659,124	2,054,536	287,194	2,341,730
Dividends distributed to owners of the Company	--	--	--	(82,086)	(82,086)	--	(82,086)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--
Profit for the period	--	--	--	79,956	79,956	8,902	88,858
Other comprehensive income for the period	--	38	(1)	--	37	4	41
Total comprehensive income	--	38	(1)	79,956	79,993	8,906	88,899
At 31 March 2023	391,651	3,800	(2)	1,656,994	2,052,443	296,100	2,348,543
3 months ended 31 March 2024 (Unaudited)							
At 1 January 2024	391,651	--	286	1,736,128	2,128,065	297,895	2,425,960
Dividends distributed to owners of the Company	--	--	--	--	--	--	--
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--
Profit for the period	--	--	--	80,244	80,244	9,753	89,997
Other comprehensive income for the period	--	--	(10)	--	(10)	(1)	(11)
Total comprehensive income	--	--	(10)	80,244	80,234	9,752	89,986
At 31 March 2024	391,651	--	276	1,816,372	2,208,299	307,647	2,515,946

These Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended 31 March 2024

	3 months ended 31/03/2024 RM'000 (Unaudited)	3 months ended 31/03/2023 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	95,035	93,642
Adjustments for :		
Share of results of associates	(68,371)	(67,980)
Share of results of a joint venture	(7,828)	(7,338)
Depreciation and amortisation	4,566	4,927
Finance costs	152	97
Other non-cash items	6	55
Other non-operating items	(1,237)	(1,747)
Operating profit before working capital changes	22,323	21,656
Changes in working capital		
(Increase) / Decrease in trade and other receivables	18,209	10,548
(Increase) / Decrease in inventories	(1,289)	(14,172)
Increase / (Decrease) in trade and other payables	3,825	(18,872)
Net changes in other current assets and liabilities	152	111
Income tax paid	(5,193)	(5,678)
Net cash from / (used in) operating activities	<u>38,027</u>	<u>(6,407)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	1,225	1,590
Purchase of property, plant and equipment	(3,077)	(1,976)
Proceeds from disposal of property, plant and equipment	--	185
Net cash from / (used in) investing activities	<u>(1,852)</u>	<u>(201)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	--	(82,086)
Finance costs paid	(152)	(97)
Bank borrowings	(4,000)	14,222
Lease payables	(1,072)	(770)
Net cash from / (used in) financing activities	<u>(5,224)</u>	<u>(68,731)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	30,951	(75,339)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>197,245</u>	<u>284,764</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u>228,196</u>	<u>209,425</u>
Cash and cash equivalents comprise :		
Cash and bank balances	228,196	210,222
Bank overdrafts	--	(797)
	<u>228,196</u>	<u>209,425</u>

These Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), MFRS134: Interim Financial Reporting, the requirements of the Companies Act 2016 in Malaysia and comply with applicable disclosure provisions under Paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

2. Significant accounting policies

The accounting policies adopted for this unaudited condensed consolidated interim financial statements are consistent with those adopted by the Group's audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following new amendments to Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB") :

Effective for annual periods beginning on or after 1 January 2024

Amendments to:

MFRS 16	Lease Liability in a Sale and Leaseback
MFRS 101	Classification of Liabilities as Current or Non-current
MFRS 101	Non-current Liabilities with Covenants
MFRS 107 and MFRS 7	Supplier Finance Arrangements

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

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

Effective for annual periods beginning on or after 1 January 2025

Amendments to:

MFRS 121	Lack of Exchangeability
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Standards and Amendments effective date deferred to a date to be announced by MASB

Amendments to:

MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The adoption of these Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

3. Seasonal and cyclical factors

During the financial period under review, the Group's operations were not materially affected by any seasonal or cyclical factors.

4. Exceptional items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period under review.

5. Estimates

There were no changes in the estimates of amounts reported in the prior interim period of the current financial year or the interim period of the prior financial year that have a material effect on the results for the current quarter under review.

6. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

7. Dividends paid

No dividends were paid during the financial quarter under review.

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

8. Operating segments

The information reported to the Group's chief operating decision makers for the purposes of resource allocation and assessment of segment performance is specifically focused on the business segments as follows:

- (i) Motor Trading and Assembly : Marketing, distribution and assembly of motor vehicles, spare parts and provision of related services.
- (ii) Auto Parts Manufacturing : Manufacturing of automotive parts and components, steel and alloy wheels and discs, vibration and harshness ("NVH") products and provision of tyre assembly services.
- (iii) All others : Investment holding, corporate headquarters and other dormant companies.

Period ended 31 March 2024

	<u>Motor Trading and Assembly</u>	<u>Auto Parts Manufacturing</u>	<u>All others</u>	<u>The Group</u>
	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	541,224	75,275	637	617,136
Results for reportable segments	12,880	6,799	(1,928)	17,751
Share of results of a joint venture	--	7,828	--	7,828
Share of results of associates	67,149	1,222	--	68,371
Interest income	495	490	252	1,237
Finance costs	(135)	(17)	--	(152)
Profit/(loss) before tax for reportable segment	80,389	16,322	(1,676)	95,035
Depreciation and amortisation	(2,516)	(1,623)	(427)	(4,566)
Other significant non-cash items				
- Allowance for slow moving inventories	(73)	--	--	(73)
- Allowance for expected credit losses no longer required	67	--	--	67
Capital expenditure	1,446	1,631	--	3,077
Segment assets	551,759	187,527	126,546	865,832
Investment in a joint venture	--	76,928	22,899	99,827
Investment in associates	1,674,640	45,713	--	1,720,353
Segment liabilities	(123,090)	(40,935)	(6,041)	(170,066)

Period ended 31 March 2023

	<u>Motor Trading and Assembly</u>	<u>Auto Parts Manufacturing</u>	<u>All others</u>	<u>The Group</u>
	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	476,784	78,372	636	555,792
Results for reportable segments	11,163	7,243	(1,575)	16,831
Share of results of a joint venture	--	7,338	--	7,338
Share of results of associates	67,980	--	--	67,980
Interest income	863	374	353	1,590
Finance costs	(43)	(54)	--	(97)
Profit/(loss) before tax for reportable segment	79,963	14,901	(1,222)	93,642
Depreciation and amortisation	(2,854)	(1,647)	(426)	(4,927)
Other significant non-cash items				
- Property, plant and equipment written off	(1)	--	--	(1)
- Allowance for expected credit losses	(34)	--	(20)	(54)
Capital expenditure	1,111	856	9	1,976
Segment assets	552,956	177,310	111,055	841,321
Investment in a joint venture	--	72,605	22,899	95,504
Investment in associates	1,550,779	42,838	--	1,593,617
Segment liabilities	(128,839)	(48,533)	(4,527)	(181,899)

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

8. Operating segments (cont'd)

Reconciliations of reportable operating segment revenues, profit or loss, assets and liabilities

	Period ended 31/03/2024 RM'000	Period ended 31/03/2023 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	616,499	555,156
All others	637	636
Revenue, as reported	<u>617,136</u>	<u>555,792</u>
<u>Profit or loss</u>		
Total profit / (loss) for Group's reportable segments, including finance costs and interest income	20,512	19,546
All others	(1,676)	(1,222)
Share of results of a joint venture	7,828	7,338
Share of results of associates	68,371	67,980
Profit before tax, as reported	<u>95,035</u>	<u>93,642</u>
<u>Assets</u>		
Total assets for Group's reportable segments	739,286	730,266
All others	126,546	111,055
Investment in a joint venture	99,827	95,504
Investment in associates	1,720,353	1,593,617
Total assets, as reported	<u>2,686,012</u>	<u>2,530,442</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	164,025	177,372
All others	6,041	4,527
Total liabilities, as reported	<u>170,066</u>	<u>181,899</u>

9. Material subsequent events

There were no material subsequent events during the current quarter under review.

10. Changes in composition of the Group

There were no material changes in the composition of the Group during for the current quarter under review.

11. Capital commitments

The amount of commitments in respect of the acquisition of property, plant and equipments not provided for in the interim financial statements as at 31 March 2024 is as follows :

	<u>RM'000</u>
Approved and contracted for	10,412
Approved and not contracted for	<u>10,966</u>

12. Significant related party transactions

During the period ended 31 March 2024, the Group and the Company had the following transactions with related parties:

	<u>31/03/2024 RM'000</u>
<u>Group</u>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	388,313
Sales to Perodua, its subsidiaries and associates	12,518
Purchases from Daihatsu Motor Co., Ltd	443
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	<u>8,237</u>
<u>Company</u>	
Dividends from:	
- subsidiaries	13,806
Management fees from subsidiaries	<u>44</u>

13. Contingent liabilities or assets

The Group does not have any significant contingent liabilities or assets which upon due or enforceable, may have a material impact on the results of the Group.

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

14. Review of Group performance

First quarter ended 31 March 2024 compared with first quarter ended 31 March 2023

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 31-Mar-24 RM'000	Quarter ended 31-Mar-23 RM'000	Change		Quarter ended 31-Mar-24 RM'000	Quarter ended 31-Mar-23 RM'000	Change	
			RM'000	%			RM'000	%
Total, as reported	617,136	555,792	61,344	11.0	95,035	93,642	1,393	1.5
<u>Business segments:</u>								
Motor Trading and Assembly	541,224	476,784	64,440	13.5	13,240	11,983	1,257	10.5
Auto Parts Manufacturing	75,275	78,372	(3,097)	(4.0)	7,272	7,563	(291)	(3.8)
Share of results of a joint venture					7,828	7,338	490	6.7
Share of results of associates					68,371	67,980	391	0.6
Others	637	636	1	0.2	(1,676)	(1,222)	(454)	(37.2)

Group

The Group closed the current quarter with RM617.1 million in revenue, an improvement of RM61.3 million or 11.0% as compared to the corresponding quarter in 2023. This current quarter's performance against the corresponding quarter was particularly encouraging as quarter one of 2023 was the final period to fulfil the sales tax exemption orders before they expired on 31 March 2023. The Group PBT for current quarter was likewise higher at RM95.0 million with an increase of RM1.4 million or 1.5% coming from better performance in the Motor Trading and Assembly Division, joint venture entity and associates' performance.

The share of results in joint venture posted an increase in profit of RM0.5 million or 6.7% to close at RM7.8 million as the strong demand from the key market leaders continued in the current quarter to fulfil outstanding bookings.

The share of associates' results was also marginally higher by RM0.4 million or 0.6% as compared to the same quarter last year due to higher production and sales volumes.

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

Motor Trading and Assembly

The Division closed the quarter with RM541.2 million in revenue, higher than the corresponding quarter by RM64.4 million or 13.5%. PBT for the Division likewise posted higher profits by RM1.3 million or 10.5% to close at RM13.2 million.

The increase in revenue was primarily driven by sustained high demand for Perodua vehicles, as seen by a remarkable 37.6% surge in our Perodua unit sales compared to the same quarter last year. This performance significantly outperformed the market with Perodua's Total Industry Volume (TIV) reported a 9.3% increase for the same quarter under review.

The high performance in Perodua sales was however partially offset by lower sales volume in Volvo and Volkswagen, a trend we saw since last year. Similarly for the commercial vehicles under Daihatsu, sales continued to be challenging due to model limitations, among others. On a positive note, the Division's aftersales revenue and margins maintained its upward trend with aftersales revenue increased by a further 14.4% as compared to the corresponding quarter.

With the mix performance from our brands, PBT for the Division still posted higher results by 10.5% as compared to the corresponding quarter in 2023.

Auto Parts Manufacturing

Our Auto Parts Manufacturing Division registered revenue of RM75.3 million for the quarter under review, marginally lower than the corresponding quarter by RM3.1 million or 4.0%. The slight reduction is mainly due to customers and models mix as overall production volume and demand from the OEMs remained robust in the current quarter.

PBT for the quarter also retracted slightly by RM0.3 million or 3.8% to close at RM7.3 million. Included in the corresponding quarter in 2023 were some lump sum costs recovery from certain OEMs which did not recur this year. Operationally, the Division's performance for the current quarter was slightly improved excluding the said lump sum costs recovery.

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

14. Review of Group performance (cont'd)

First quarter ended 31 March 2024 against previous quarter ended 31 December 2023

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 31-Mar-24 RM'000	Quarter ended 31-Dec-23 RM'000	Change		Quarter ended 31-Mar-24 RM'000	Quarter ended 31-Dec-23 RM'000	Change	
			RM'000	%			RM'000	%
Total, as reported	617,136	699,557	(82,421)	(11.8)	95,035	112,489	(17,454)	(15.5)
<u>Business segments:</u>								
Motor Trading and Assembly	541,224	612,763	(71,539)	(11.7)	13,240	17,947	(4,707)	(26.2)
Auto Parts Manufacturing	75,275	86,172	(10,897)	(12.6)	7,272	6,649	623	9.4
Share of results of a joint venture					7,828	6,864	964	14.0
Share of associates' results					68,371	81,791	(13,420)	(16.4)
Others	637	622	15	2.4	(1,676)	(762)	(914)	(119.9)

Group

Compared to the fourth quarter of 2023, the Group's revenue experienced a decline of RM82.4 million or 11.8%, in line with the 11.2% retraction in TIV against the preceding quarter. This decline is understandable as sales and production volumes typically peak in the last quarter of the year. Operating PBT for the Group demonstrated similar trend with lower PBT by RM17.5 million or 15.5% as compared to the preceding quarter's PBT mainly coming from the Motor Trading and Assembly Division and lower share of our associates results.

Despite lower TIV, the share of results in joint venture remained high with RM1.0 million or 14.0% increase driven by favorable customer mix with high production demand from certain OEMs.

The share of associates' results on the other hand witnessed a decline of RM13.4 million or 16.4% to close at RM68.4 million, partly contributed by reduced volume and shortened working hours notably during festive season and the month of Ramadhan.

Motor Trading and Assembly

The Motor Trading and Assembly Division concluded the quarter with RM541.2million in revenue, lower than the preceding quarter by RM71.5 million or 11.7% due to lower vehicle sales for all our brands in line with lower TIV in current quarter under review.

The operating PBT therefore also retracted by RM4.7 million or 26.2% to close at RM13.2 million.

Auto Parts Manufacturing

Against the preceding quarter, the Division's revenue was likewise lower by RM10.9 million or 12.6% for the aforementioned reasons.

PBT for the Division however, showed an improvement reaching RM7.3 million, RM0.6 million or 9.4% higher against the preceding quarter mainly attributed by customer mix, lower overheads and reduction in certain material costs.

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

15. Current year prospects

The automotive sector continue its impressive sales momentum in the 1st Quarter of 2024 with a Total Industry Volume (TIV) of 202,245 units, a growth of 5% from the same corresponding period last year. The strong performance was driven mainly by continuous customer demand, spilling over from the 4th Quarter of 2023, and introduction of new models including Electric Vehicles (EV). The pull-in demand from OEMs for parts and components also remained positive throughout the period, giving signs of an optimistic outlook ahead for the industry.

However, the Group remains cautiously optimistic on the outlook, given the risk of global macroeconomic headwinds and the potential fuel subsidy rationalisation. The Group seeks to expand its portfolio of vehicle offerings while Perodua's continuing strong order bank is also anticipated to sustain the Group moving ahead. Active engagement with customers and prospects including for fleet purchases will be prioritised in addition to the on-going cost management and production efficiency improvement exercise in our Auto Parts Manufacturing Division.

16. Variance from profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the year.

17. Income tax expense

	Current Quarter 31/03/2024 RM'000	Year to date 31/03/2024 RM'000
Current year's provision	5,038	5,038
Add : Under/(Over) provision in prior years	--	--
	<u>5,038</u>	<u>5,038</u>
Deferred taxation	--	--
Income tax expense	<u>5,038</u>	<u>5,038</u>

A reconciliation of the statutory income tax rate at 24% to the effective income tax rate of the Group for the current quarter and for the year-to-date are as follows :

	Current Quarter 31/03/2024 %	Year to date 31/03/2024 %
Statutory income tax rate in Malaysia	24.0	24.0
Adjustment for tax applicable to share of results of associates	(17.3)	(17.3)
Adjustment for tax applicable to share of results of a joint venture	(2.0)	(2.0)
Expenses not deductible for tax purpose / (Income not subject to tax)	0.5	0.5
Under/(Over) provision of income tax in prior year	--	--
	<u>5.2</u>	<u>5.2</u>

18. Corporate proposals

There were no corporate proposals announced but not completed by the Group as at the date of this report.

19. Group borrowings and debt securities

	As at 31/03/2024		
	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total Borrowings RM'000
Denominated in Malaysian Currency (RM)			
Secured	12,367	--	12,367
Unsecured	--	--	--
Total	<u>12,367</u>	<u>--</u>	<u>12,367</u>

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

20. Material litigations

There is no material litigation ongoing as at the date of this quarterly report.

21. Dividend

A final single tier dividend of 15.0 sen per ordinary share amounting to approximately RM58,633,148 in respect of the financial year ended 31 December 2023, if approved by the shareholders of the Company at the forthcoming Annual General Meeting to be held on 30 May 2024, will be paid on 28 June 2024 to shareholders whose names appear in the Record of Depositors of the Company on 18 June 2024.

The Board did not declare any dividend for the current quarter.

22. Earnings per ordinary share (EPS)

	Quarter ended		Year to date 3 months ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Profit attributable to owners of the Company	RM'000 80,244	RM'000 79,956	RM'000 80,244	RM'000 79,956
Number of ordinary shares in issue	'000 390,887	'000 390,887	'000 390,887	'000 390,887
Basic and diluted earnings per share	sen 20.53	sen 20.46	sen 20.53	sen 20.46

The basic and diluted earnings per share are the same as the Company has no dilutive ordinary shares.

23. Independent Auditors' Report of Preceding Annual Financial Statements

The independent auditors' report on the financial statements of the Group and of the Company as at and for the year ended 31 December 2023 was not qualified.

24. Items to disclose in the Statement of Comprehensive Income

	Quarter ended		Year to date 3 months ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
a) Depreciation and amortisation	(4,566)	(4,927)	(4,566)	(4,927)
b) Property, plant and equipment written off	--	(1)	--	(1)
c) Gain on disposal of property, plant and equipment	--	157	--	157
d) Allowance for slow-moving inventories	(73)	--	(73)	--
e) Allowance for expected credit loss	--	(54)	--	(54)
f) Allowance for expected credit loss no longer required	67	--	67	--
g) Realised gain / (loss) on foreign exchange	(22)	(21)	(22)	(21)

**BY ORDER OF THE BOARD
MBM RESOURCES BERHAD**

**WONG PEIR CHYUN
COMPANY SECRETARY
KUALA LUMPUR
DATED : 27 MAY 2024**