



MBM Resources Berhad

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

INTERIM FINANCIAL REPORT

**Unaudited Condensed Consolidated Financial Statements
For The Third Quarter Ended 30 September 2024**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the nine months ended 30 September 2024

	Note	Current Quarter Ended 30/09/2024 RM'000 (Unaudited)	Comparative Quarter Ended 30/09/2023 RM'000 (Unaudited)	9 months Cumulative To Date 30/09/2024 RM'000 (Unaudited)	Comparative 9 months Cumulative To Date 30/09/2023 RM'000 (Unaudited)
Revenue	8	638,372	621,271	1,824,754	1,716,631
Cost of sales		<u>(584,726)</u>	<u>(569,406)</u>	<u>(1,669,675)</u>	<u>(1,572,616)</u>
Gross profit		53,646	51,865	155,079	144,015
Other income		13,108	42,375	35,525	63,897
Administrative and other expenses		(29,121)	(27,981)	(82,532)	(79,459)
Selling and marketing expenses		(19,361)	(19,266)	(56,926)	(54,085)
Finance costs		(362)	(339)	(906)	(629)
Interest income		1,686	1,648	4,265	4,767
Share of results of a joint venture, net of tax		8,614	5,358	23,366	17,370
Share of results of associates, net of tax		<u>74,433</u>	<u>69,738</u>	<u>200,198</u>	<u>182,920</u>
Profit before tax	8	102,643	123,398	278,069	278,796
Income tax expense	17	<u>(5,135)</u>	<u>(8,422)</u>	<u>(14,428)</u>	<u>(16,518)</u>
Profit for the period		<u><u>97,508</u></u>	<u><u>114,976</u></u>	<u><u>263,641</u></u>	<u><u>262,278</u></u>
Profit for the period attributable to:					
Equity holders of the Company		87,382	104,757	235,268	236,640
Non-controlling interests		<u>10,126</u>	<u>10,219</u>	<u>28,373</u>	<u>25,638</u>
Profit for the period		<u><u>97,508</u></u>	<u><u>114,976</u></u>	<u><u>263,641</u></u>	<u><u>262,278</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 nine months ended 30 September 2024

	Current Quarter Ended 30/09/2024 RM'000 (Unaudited)	Comparative Quarter Ended 30/09/2023 RM'000 (Unaudited)	9 months Cumulative To Date 30/09/2024 RM'000 (Unaudited)	Comparative 9 months Cumulative To Date 30/09/2023 RM'000 (Unaudited)
Profit for the period	97,508	114,976	263,641	262,278
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	--	268	--	532
Share of foreign currency translation reserve of foreign operations of associates	(3)	(9)	(25)	21
Other comprehensive income / (loss) for the period, net of tax	(3)	259	(25)	553
Total comprehensive income for the period	<u>97,505</u>	<u>115,235</u>	<u>263,616</u>	<u>262,831</u>
Total comprehensive income attributable to:				
Equity holders of the Company	87,379	104,991	235,245	237,139
Non-controlling interests	10,126	10,244	28,371	25,692
Total comprehensive income for the period	<u>97,505</u>	<u>115,235</u>	<u>263,616</u>	<u>262,831</u>
Earnings per ordinary share	sen	sen	sen	sen
Basic and diluted	22.35	26.80	60.19	60.54

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 30 September 2024

	Note	As at end of Current Quarter 30/09/2024 RM'000 (Unaudited)	As at preceding Financial Year Ended 31/12/2023 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		190,029	186,606
Right-of-use assets		2,285	3,951
Investment properties		67,968	69,309
Prepaid land lease payments		38,249	38,330
Investment in a joint venture		100,065	92,000
Investment in associates		1,735,310	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>2,142,200</u>	<u>2,050,483</u>
Current Assets			
Inventories		133,794	161,035
Trade and other receivables and prepaid expenses		164,481	185,849
Tax recoverable		3,927	1,673
Cash and bank balances		278,103	197,245
Total Current Assets		<u>580,305</u>	<u>545,802</u>
TOTAL ASSETS	8	<u><u>2,722,505</u></u>	<u><u>2,596,285</u></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 30 September 2024

	Note	As at end of Current Quarter 30/09/2024 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		1,850,484	1,736,414
Equity attributable to the equity holders of the Company		2,242,135	2,128,065
Non-controlling interests		314,805	297,895
Total Equity		2,556,940	2,425,960
Non-Current Liabilities			
Deferred tax liabilities		2,896	2,896
Retirement benefits obligation		2,156	1,891
Lease liabilities		799	1,661
Total Non-Current Liabilities		5,851	6,448
Current Liabilities			
Short term borrowings	19	14,326	16,367
Trade and other payables and accrued expenses		141,841	142,114
Amount owing to holding company		37	63
Lease liabilities		1,588	2,404
Tax liabilities		1,922	2,929
Total Current Liabilities		159,714	163,877
Total Liabilities	8	165,565	170,325
TOTAL EQUITY AND LIABILITIES		2,722,505	2,596,285
Net assets per share attributable to owners of the Company (RM)			
		5.74	5.44

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 nine months ended 30 September 2024

Note	/--- Non-distributable reserve ---/			Distributable reserve - Retained earnings RM'000	Attributable to the equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Fair value reserve RM'000	Foreign currency translation reserve RM'000				
9 months ended 30 September 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	--	--	--	(207,170)	(207,170)	--	(207,170)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	(14,790)	(14,790)
Profit for the period	--	--	--	236,640	236,640	25,638	262,278
Other comprehensive income for the period	--	480	19	--	499	54	553
Total comprehensive income	--	480	19	236,640	237,139	25,692	262,831
At 30 September 2023	391,651	4,242	18	1,688,594	2,084,505	298,096	2,382,601
9 months ended 30 September 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	7	--	--	(121,175)	(121,175)	--	(121,175)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	(11,461)	(11,461)
Profit for the period	--	--	--	235,268	235,268	28,373	263,641
Other comprehensive income for the period	--	--	(23)	--	(23)	(2)	(25)
Total comprehensive income	--	--	(23)	235,268	235,245	28,371	263,616
At 30 September 2024	391,651	--	263	1,850,221	2,242,135	314,805	2,556,940

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 nine months ended 30 September 2024

	9 months ended 30/09/2024 RM'000 (Unaudited)	9 months ended 30/09/2023 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	278,069	278,796
Adjustments for :		
Share of results of associates	(200,198)	(182,920)
Share of results of a joint venture	(23,366)	(17,370)
Depreciation and amortisation	13,123	13,984
Finance costs	906	629
Gain on disposal of assets classified as held for sale	--	(29,303)
Other non-cash items	384	607
Other non-operating items	<u>(4,275)</u>	<u>(4,951)</u>
Operating profit before working capital changes	64,643	59,472
Changes in working capital		
(Increase) / Decrease in trade and other receivables	21,189	(6,777)
(Increase) / Decrease in inventories	27,037	(61,083)
Increase / (Decrease) in trade and other payables	(273)	10,116
Net changes in other current assets and liabilities	239	325
Income tax refunded	--	583
Income tax paid	<u>(17,632)</u>	<u>(21,510)</u>
Net cash from / (used in) operating activities	<u>95,203</u>	<u>(18,874)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from associates	116,857	86,591
Dividends received from a joint venture	15,300	10,200
Interest income	4,208	4,767
Purchase of property, plant and equipment	(12,241)	(5,230)
Addition to prepaid land lease payments	(351)	--
Proceeds from disposal of property, plant and equipment	38	216
Proceeds from disposal of assets classified as held for sale	<u>--</u>	<u>47,948</u>
Net cash from / (used in) investing activities	<u>123,811</u>	<u>144,492</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(121,175)	(207,170)
Dividends paid to non-controlling interests of subsidiaries	(11,461)	(14,790)
Finance costs paid	(906)	(629)
Bank borrowings	(2,041)	14,321
Lease payables	<u>(2,573)</u>	<u>(2,484)</u>
Net cash from / (used in) financing activities	<u>(138,156)</u>	<u>(210,752)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	80,858	(85,134)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>197,245</u>	<u>284,764</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u>278,103</u>	<u>199,630</u>
Cash and cash equivalents comprise :		
Cash and bank balances	278,103	199,630
Bank overdrafts	<u>--</u>	<u>--</u>
	<u>278,103</u>	<u>199,630</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.

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

7. Dividends paid

	Quarter ended 30/09/2024	Year to date 9 months ended 30/09/2024	Quarter ended 30/09/2024	Year to date 9 months ended 30/09/2024
	Per Ordinary Share Sen	Per Ordinary Share Sen	Amount RM'000	Amount RM'000
<u>In respect of the financial year ended 31 December 2023:</u>				
Final single tier dividend, proposed on 19 April 2024, approved by shareholders at the last Annual General Meeting on 30 May 2024 and paid on 28 June 2024.	--	15.0	--	58,633
<u>In respect of the financial year ending 31 December 2024:</u>				
First interim single tier dividend, declared on 28 August 2024 and paid on 26 September 2024.	6.0	6.0	23,453	23,453
Special interim single tier dividend, declared on 28 August 2024 and paid on 26 September 2024.	10.0	10.0	39,089	39,089
	<u>16.0</u>	<u>31.0</u>	<u>62,542</u>	<u>121,175</u>

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 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 30 September 2024

	Motor Trading and Assembly RM'000	Auto Parts Manufacturing RM'000	All others RM'000	The Group RM'000
Revenues from external customers	1,601,636	221,176	1,942	1,824,754
Results for reportable segments	37,444	18,315	(4,613)	51,146
Share of results of a joint venture	--	23,366	--	23,366
Share of results of associates	197,558	2,640	--	200,198
Interest income	1,659	1,320	1,286	4,265
Finance costs	(832)	(74)	--	(906)
Profit/(loss) before tax for reportable segment	235,829	45,567	(3,327)	278,069
Depreciation and amortisation	(7,634)	(4,228)	(1,261)	(13,123)
Other significant non-cash items				
- Property, plant and equipment written off	(1)	--	--	(1)
- Allowance for slow moving inventories	(156)	(48)	--	(204)
- Allowance for expected credit losses	(179)	--	--	(179)
Capital expenditure	8,175	4,368	49	12,592
Segment assets	556,951	167,397	162,782	887,130
Investment in a joint venture	--	77,166	22,899	100,065
Investment in associates	1,690,390	44,920	--	1,735,310
Segment liabilities	(111,625)	(47,447)	(6,493)	(165,565)

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

8. Operating segments (cont'd)

Period ended 30 September 2023

	Motor Trading and Assembly	Auto Parts Manufacturing	All others	The Group
	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	1,484,816	229,910	1,905	1,716,631
Results for reportable segments	34,910	15,249	24,209	74,368
Share of results of a joint venture	--	17,370	--	17,370
Share of results of associates	179,166	3,754	--	182,920
Interest income	2,356	1,147	1,264	4,767
Finance costs	(352)	(150)	(127)	(629)
Profit/(loss) before tax for reportable segment	216,080	37,370	25,346	278,796
Depreciation and amortisation	(7,613)	(5,093)	(1,278)	(13,984)
Other significant non-cash items				
- Property, plant and equipment written off	(15)	(5)	--	(20)
- Allowance for slow moving inventories	(323)	(91)	--	(414)
- Allowance for expected credit losses	(111)	--	(63)	(174)
Capital expenditure	2,541	2,670	19	5,230
Segment assets	579,708	182,153	110,408	872,269
Investment in a joint venture	--	72,436	22,899	95,335
Investment in associates	1,578,097	44,380	--	1,622,477
Segment liabilities	(151,698)	(49,030)	(6,752)	(207,480)

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

	Period ended 30/09/2024 RM'000	Period ended 30/09/2023 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	1,822,812	1,714,726
All others	1,942	1,905
Revenue, as reported	<u>1,824,754</u>	<u>1,716,631</u>
<u>Profit or loss</u>		
Total profit / (loss) for Group's reportable segments, including finance costs and interest income	57,832	53,160
All others	(3,327)	25,346
Share of results of a joint venture	23,366	17,370
Share of results of associates	200,198	182,920
Profit before tax, as reported	<u>278,069</u>	<u>278,796</u>
<u>Assets</u>		
Total assets for Group's reportable segments	724,348	761,861
All others	162,782	110,408
Investment in a joint venture	100,065	95,335
Investment in associates	1,735,310	1,622,477
Total assets, as reported	<u>2,722,505</u>	<u>2,590,081</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	159,072	200,728
All others	6,493	6,752
Total liabilities, as reported	<u>165,565</u>	<u>207,480</u>

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

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 30 September 2024 is as follows :

	<u>RM'000</u>
Approved and contracted for	12,501
Approved and not contracted for	<u>5,899</u>

12. Significant related party transactions

During the period ended 30 September 2024, the Group and the Company had the following transactions with related parties:

	<u>30/09/2024</u> <u>RM'000</u>
<u>Group</u>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	1,132,470
Sales to Perodua, its subsidiaries and associates	36,240
Purchases from Daihatsu Motor Co., Ltd	1,219
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	<u>24,180</u>
<u>Company</u>	
Dividends from:	
- subsidiaries	81,864
- associates	93,358
Management fees from subsidiaries	<u>145</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

Third quarter ended 30 September 2024 compared with third quarter ended 30 September 2023

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 30-Sep-24 RM'000	Quarter ended 30-Sep-23 RM'000	Change		Quarter ended 30-Sep-24 RM'000	Quarter ended 30-Sep-23 RM'000	Change	
			RM'000	%			RM'000	%
Total, as reported	638,372	621,271	17,101	2.8	102,643	123,398	(20,755)	(16.8)
Business segments:								
Motor Trading and Assembly	558,127	538,023	20,104	3.7	13,611	14,638	(1,027)	(7.0)
Auto Parts Manufacturing	79,618	82,634	(3,016)	(3.6)	6,737	6,017	720	12.0
One-off gains from disposals~					--	28,358	(28,358)	(100.0)
Share of results of a joint venture					8,614	5,358	3,256	60.8
Share of results of associates					74,433	69,738	4,695	6.7
Others	627	614	13	2.1	(752)	(711)	(41)	(5.8)

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

Group

The Group closed the current quarter with RM638.4 million in revenue, an improvement of RM17.1 million or 2.8% as compared to the corresponding quarter in 2023. The Group's PBT for the current quarter was lower than the third quarter of 2023 primarily due to a RM28.4 million non-operating gain from the disposal of a property in the corresponding quarter of 2023. Excluding this non-operating gain in 2023, the operating PBT for current quarter closed higher at RM102.6 million, reflecting an increase of RM7.6 million or 8.0%. This growth was largely driven by consistent performance from both the Divisions and better results from the joint venture entity and associates.

The share of results in joint venture posted an increase in profit of RM3.3 million or 60.8% to close at RM8.6 million as demand for the quarter remained strong.

Likewise for the share of associates' results which was also higher by RM4.7 million or 6.7% as compared to the corresponding quarter last year with continuously high 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 RM558.1 million in revenue, higher than the corresponding quarter by RM20.1 million or 3.7%. PBT for the Division however was lower by RM1.0 million or 7.0% to close at RM13.6 million.

The increase in revenue was primarily driven by sustained high demand for Perodua vehicles, with 4.7% higher in sales volume in our Perodua unit sales as compared to the same quarter last year. This performance significantly outperformed the market with Total Industry Volume (TIV) reported a slight reduction of 1.0% for the same quarter under review.

Sales volume in Volvo and Volkswagen remained subdued for the quarter, 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 saw encouraging demand for its new Jaecoo dealership which was launched during the quarter. The Division's aftersales revenue and margins also maintained strong performance with a further 4.5% increase in aftersales revenue as compared to the corresponding quarter.

With the mix performance from our brands, PBT for the Division was lower by 7.0% as compared to the corresponding quarter in 2023, mainly contributed by higher discount given for commercial vehicles.

Auto Parts Manufacturing

Coming off the high production volume we saw in last year's Total Industry Production (TIP), our Auto Parts Manufacturing Division registered revenue of RM79.6 million for the quarter under review, marginally lower than the corresponding quarter by RM3.0 million or 3.6%. The reduction is coming from slightly lower TIP from certain non-national makes as compared to quarter three last year.

Despite marginally lower revenue, PBT for the quarter was still higher by RM0.7 million or 12.0% to close at RM6.7 million as production demand from customers remained on the high side, complimented by improved operational efficiency.

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

14. Review of Group performance (cont'd)

Nine months year to date ended 30 September 2024 against previous year to date ended 30 September 2023

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Year to date ended 30-Sep-24 RM'000	Year to date ended 30-Sep-23 RM'000	Change		Year to date ended 30-Sep-24 RM'000	Year to date ended 30-Sep-23 RM'000	Change	
			RM'000	%			RM'000	%
Total, as reported	1,824,754	1,716,631	108,123	6.3	278,069	278,796	(727)	(0.3)
<u>Business segments:</u>								
Motor Trading and Assembly	1,601,636	1,484,816	116,820	7.9	38,271	36,914	1,357	3.7
Auto Parts Manufacturing	221,176	229,910	(8,734)	(3.8)	19,561	16,246	3,315	20.4
One-off gains from disposals~					--	28,358	(28,358)	(100.0)
Share of results of a joint venture					23,366	17,370	5,996	34.5
Share of associates' results					200,198	182,920	17,278	9.4
Others	1,942	1,905	37	1.9	(3,327)	(3,012)	(315)	(10.5)

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

Group

For the 9-month period ended 30th September 2024, the Group achieved RM1,824.8 million in revenue, RM108.1 million or 6.3% higher than the corresponding period in 2023. The increase was contributed mostly by strong Perodua sales and consistent production demand from the OEMs.

Excluding the aforementioned non-operating gain of RM28.4 million in 2023, the Group's PBT for the current period under review was likewise higher by RM27.6 million or 11.0% to close at RM278.1 million. This improvement over the operating PBT of RM250.4 million for the same period in 2023 was contributed by stronger performance across all fronts.

Motor Trading and Assembly

For the 9-month period ended 30th September 2024, the Division achieved RM1,601.6 million in revenue, RM116.8 million or 7.9% higher than the corresponding period in 2023. The higher revenue was primarily driven by the 19.3% increase in the Division's Perodua sales volume and the consistently improved aftersales performance which was also higher by 7.4% as compared to the corresponding period in 2023. The higher performance was however partially offset by our reduced Volkswagen and Volvo volumes, as seen in the generally softer demand for premium segment vehicles year-on-year. It was also a challenging year for the sale of our Daihatsu vehicles.

Despite the challenges, the Division still achieved PBT of RM38.3 million, higher than the preceding year by RM1.4 million or 3.7%.

Auto Parts Manufacturing

Our Auto Parts Manufacturing Division registered revenue of RM221.2 million for the period under review, a slight reduction of RM8.7 million or 3.8% against the preceding year due to change in product mix. Sales volume however, remained above the year-to-date volume from the preceding year, aligning with a 4.7% year-on-year increase in TIP. As a result, PBT rose to RM19.6 million, which is RM3.3 million, or 20.4%, higher than the preceding year. The better performance was driven mainly by enhanced margins coming from the high production demand while maintaining costs efficiencies.

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

14. Review of Group performance (cont'd)

Third quarter ended 30 September 2024 against previous quarter ended 30 June 2024

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 30-Sep-24 RM'000	Quarter ended 30-Jun-24 RM'000	Change		Quarter ended 30-Sep-24 RM'000	Quarter ended 30-Jun-24 RM'000	Change	
			RM'000	%			RM'000	%
Total, as reported	638,372	569,246	69,126	12.1	102,643	80,391	22,252	27.7
<u>Business segments:</u>								
Motor Trading and Assembly	558,127	502,285	55,842	11.1	13,611	11,420	2,191	19.2
Auto Parts Manufacturing	79,618	66,283	13,335	20.1	6,737	5,552	1,185	21.3
Share of results of a joint venture					8,614	6,924	1,690	24.4
Share of associates' results					74,433	57,394	17,039	29.7
Others	627	678	(51)	(7.5)	(752)	(899)	147	16.4

Group

The Group's revenue rose by RM69.1 million or 12.1% as compared to the preceding quarter of 2024. The higher revenue was anticipated given the shorter working months in the prior quarter due to public holidays in April and June, as well as scheduled plant shutdowns by major OEMs. Notably, the Group's performance surpassed the 8.3% increase in TIV for the same periods under review. Operating PBT for the Group likewise registered higher PBT of RM102.6 million, RM22.3 million or 27.7% higher as compared to the preceding quarter's PBT.

The share of results in joint venture closed the quarter at RM8.6 million, RM1.7 million or 24.4% higher than the preceding quarter.

Similarly, the share of associates' results also recorded higher profits of RM74.4 million, RM17.0 million or 29.7% higher than the preceding quarter.

Motor Trading and Assembly

With the longer working days, the Motor Trading and Assembly Division closed the quarter with RM558.1 million in revenue, with an increase of RM55.8 million or 11.1% compared to the preceding quarter. This growth was primarily driven by both higher vehicle sales and aftersales due to the factors mentioned earlier.

The operating PBT therefore also closed higher by RM2.2 million or 19.2%, reaching PBT of RM13.6 million for the quarter.

Auto Parts Manufacturing

The strong performance is reflected in the Auto Parts Manufacturing Division as well with revenue increase of RM13.3 million or 20.1% against the preceding quarter for the aforementioned reasons.

Consequently, PBT for the Division closed the quarter at RM6.7 million, RM1.2 million or 21.3% higher than the preceding quarter.

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

15. Current year prospects

Geopolitical uncertainties, heightened by trade tensions and regional conflicts, pose significant threats to global raw material prices. Although the Federal Reserve's decision to lower interest rates may somewhat help mitigate the dollar's impact on material costs, global inflation is expected to remain persistently high, particularly for countries heavily reliant on imports.

Domestically, Malaysia's GDP growth is projected to remain strong, between 4.8% and 5.5%, supported by favorable domestic policies and stable inflows of Foreign Direct Investment (FDI). The recent announcement of a civil servant salary increase, alongside the anticipated minimum wage adjustment, is expected to boost domestic consumption. Furthermore, the government's fuel subsidy rationalisation initiative is likely to shift consumer preferences toward Electric Vehicles (EVs).

Total Industry Volume (TIV) for 2024 has exceeded expectations, driven by robust demand in the mass-market passenger vehicle segment. The launch of new EV models has further invigorated the local market. Looking ahead, demand is anticipated to stabilise as consumers evaluate a growing array of options, particularly within the mid-market passenger vehicle segment.

Premised on the above, the Group remains cautiously optimistic on the outlook and financial performance for the fiscal year ending 31 December 2024.

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 30/09/2024 RM'000	Year to date 30/09/2024 RM'000
Current year's provision	5,044	14,337
Add : Under/(Over) provision in prior years	91	91
	5,135	14,428
Deferred taxation	--	--
Income tax expense	<u>5,135</u>	<u>14,428</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 30/09/2024 %	Year to date 30/09/2024 %
Statutory income tax rate in Malaysia	24.0	24.0
Adjustment for tax applicable to share of results of associates	(17.4)	(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)	0.3	0.5
Under/(Over) provision of income tax in prior year	0.1	--
	<u>5.0</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 30/09/2024		
	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total Borrowings RM'000
Denominated in Malaysian Currency (RM)			
Secured	14,326	--	14,326
Unsecured	--	--	--
Total	<u>14,326</u>	<u>--</u>	<u>14,326</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

The Board is pleased to declare a second interim single tier dividend of 7.0 sen per ordinary share amounting to approximately RM27,362,136 and a special single tier dividend of 22.0 sen per ordinary share amounting to approximately RM85,995,284 for the current financial year ending 31 December 2024.

22. Earnings per ordinary share (EPS)

	Quarter ended		Year to date 9 months ended	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
Profit attributable to owners of the Company	RM'000 87,382	RM'000 104,757	RM'000 235,268	RM'000 236,640
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 22.35	sen 26.80	sen 60.19	sen 60.54

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 9 months ended	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
a) Depreciation and amortisation	(4,256)	(4,666)	(13,123)	(13,984)
b) Property, plant and equipment written off	--	(1)	(1)	(20)
c) Gain on disposal of property, plant and equipment	1	4	10	184
d) Gain on disposal of assets classified as held for sale	--	29,303	--	29,303
e) Allowance for slow-moving inventories	(53)	(258)	(204)	(414)
f) Allowance for expected credit loss	(131)	(70)	(179)	(174)
g) Realised gain / (loss) on foreign exchange	13	(38)	(6)	(83)

BY ORDER OF THE BOARD
MBM RESOURCES BERHAD

NG SENG HOO
COMPANY SECRETARY
KUALA LUMPUR
DATED : 25 NOVEMBER 2024