



# MBM Resources Berhad

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

## **INTERIM FINANCIAL REPORT**

**Unaudited Condensed Consolidated Financial Statements  
For The Fourth Quarter Ended 31 December 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the twelve months ended 31 December 2023**

	Note	Current Quarter Ended 31/12/2023 RM'000 (Unaudited)	Comparative Quarter Ended 31/12/2022 RM'000 (Unaudited)	12 months Cumulative To Date 31/12/2023 RM'000 (Unaudited)	Comparative 12 months Cumulative To Date 31/12/2022 RM'000 (Audited)
<b>Continuing operations</b>					
Revenue	8	700,219	650,918	2,416,850	2,307,613
Cost of sales		<u>(643,789)</u>	<u>(599,706)</u>	<u>(2,216,405)</u>	<u>(2,117,439)</u>
Gross profit		56,430	51,212	200,445	190,174
Other income		13,246	18,046	77,142	81,314
Administrative and other expenses		(25,147)	(27,900)	(104,587)	(98,705)
Selling and marketing expenses		(21,298)	(20,924)	(75,383)	(67,811)
Finance costs		(489)	(136)	(1,118)	(667)
Interest income		1,090	1,078	5,851	4,742
Share of results of a joint venture, net of tax		6,864	4,217	24,234	15,978
Share of results of associates, net of tax		<u>85,205</u>	<u>46,385</u>	<u>268,125</u>	<u>198,323</u>
<b>Profit before tax</b>	8	<u>115,901</u>	<u>71,978</u>	<u>394,709</u>	<u>323,348</u>
Income tax expense	17	<u>(6,486)</u>	<u>(8,402)</u>	<u>(23,004)</u>	<u>(26,245)</u>
<b>Profit from continuing operations</b>		<u>109,415</u>	<u>63,576</u>	<u>371,705</u>	<u>297,103</u>
<b>Discontinued operation</b>					
Results from discontinued operation, net of tax		<u>2</u>	<u>287</u>	<u>(10)</u>	<u>12,966</u>
<b>Profit for the period</b>		<u>109,417</u>	<u>63,863</u>	<u>371,695</u>	<u>310,069</u>
<b>Profit / (loss) for the period attributable to:</b>					
Equity holders of the Company from:					
- Continuing operations		97,812	55,922	334,464	267,385
- Discontinued operation		<u>2</u>	<u>287</u>	<u>(10)</u>	<u>12,966</u>
		<u>97,814</u>	<u>56,209</u>	<u>334,454</u>	<u>280,351</u>
Non-controlling interests from:					
- Continuing operations		11,603	7,654	37,241	29,718
- Discontinued operation		<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
		<u>11,603</u>	<u>7,654</u>	<u>37,241</u>	<u>29,718</u>
<b>Profit for the period</b>		<u>109,417</u>	<u>63,863</u>	<u>371,695</u>	<u>310,069</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 2022 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 twelve months ended 31 December 2023**

	Current Quarter Ended 31/12/2023 RM'000 (Unaudited)	Comparative Quarter Ended 31/12/2022 RM'000 (Unaudited)	12 months Cumulative To Date 31/12/2023 RM'000 (Unaudited)	Comparative 12 months Cumulative To Date 31/12/2022 RM'000 (Audited)
<b>Profit for the period</b>	109,417	63,863	371,695	310,069
<b>Other comprehensive income / (loss), net of tax</b>				
<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	(725)	196	(193)	842
Share of foreign currency translation reserve of foreign operations of associates	(6)	46	15	57
<b>Other comprehensive income / (loss) for the period, net of tax</b>	<b>(731)</b>	<b>242</b>	<b>(178)</b>	<b>899</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>108,686</b>	<b>64,105</b>	<b>371,517</b>	<b>310,968</b>
<b>Total comprehensive income / (loss) attributable to:</b>				
Equity holders of the Company from:				
- Continuing operations	97,152	56,148	334,303	268,209
- Discontinued operation	2	287	(10)	12,966
	<b>97,154</b>	<b>56,435</b>	<b>334,293</b>	<b>281,175</b>
Non-controlling interests from:				
- Continuing operations	11,532	7,670	37,224	29,793
- Discontinued operation	--	--	--	--
	<b>11,532</b>	<b>7,670</b>	<b>37,224</b>	<b>29,793</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>108,686</b>	<b>64,105</b>	<b>371,517</b>	<b>310,968</b>
<b>Earnings / (loss) per ordinary share</b>				
Basic and diluted from:	sen	sen	sen	sen
- Continuing operations	25.02	14.31	85.57	68.40
- Discontinued operation	-	0.07	-	3.32
22	<b>25.02</b>	<b>14.38</b>	<b>85.57</b>	<b>71.72</b>

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 2022 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As at 31 December 2023**

	Note	As at end of Current Quarter 31/12/2023 RM'000 (Unaudited)	As at preceding Financial Year Ended 31/12/2022 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		186,713	174,481
Right-of-use assets		3,951	3,797
Investment properties		69,202	69,539
Prepaid land lease payments		38,330	38,905
Investment in a joint venture		92,000	88,165
Investment in associates		1,654,941	1,525,596
Other investments		2,340	2,280
Deferred tax assets		4,850	3,169
Goodwill on consolidation		1,104	1,104
Total Non-Current Assets		<u>2,053,431</u>	<u>1,907,036</u>
<b>Current Assets</b>			
Inventories		162,084	115,649
Trade and other receivables and prepaid expenses		185,793	198,999
Tax recoverable		1,673	2,015
Cash and bank balances		197,245	284,764
		546,795	601,427
Assets classified as held for sale		--	20,128
Total Current Assets		<u>546,795</u>	<u>621,555</u>
<b>TOTAL ASSETS</b>	8	<u><u>2,600,226</u></u>	<u><u>2,528,591</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 2022 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)**  
**As at 31 December 2023**

	Note	As at end of Current Quarter 31/12/2023 RM'000 (Unaudited)	As at preceding Financial Year Ended 31/12/2022 RM'000 (Audited)
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Capital and Reserves</b>			
Share capital		391,651	391,651
Reserves		<u>1,739,192</u>	<u>1,662,885</u>
Equity attributable to the equity holders of the Company		2,130,843	2,054,536
Non-controlling interests		<u>298,065</u>	<u>287,194</u>
Total Equity		<u>2,428,908</u>	<u>2,341,730</u>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities		2,895	3,900
Provision for retirement benefits		1,891	2,112
Lease liabilities - non-current portion		<u>1,643</u>	<u>1,339</u>
Total Non-Current Liabilities		<u>6,429</u>	<u>7,351</u>
<b>Current Liabilities</b>			
Short term borrowings	19	16,367	--
Trade and other payables and accrued expenses		143,107	171,235
Amount owing to holding company		63	34
Lease liabilities - current portion		2,423	2,396
Tax liabilities		<u>2,929</u>	<u>5,845</u>
Total Current Liabilities		<u>164,889</u>	<u>179,510</u>
Total Liabilities	8	<u>171,318</u>	<u>186,861</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,600,226</b></u>	<u><b>2,528,591</b></u>
<b>Net assets per share attributable to owners of the Company (RM)</b>			
		<u>5.45</u>	<u>5.26</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 2022 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the twelve months ended 31 December 2023**

Note	Share capital RM'000	/--- Non-distributable reserve ---/ Foreign currency		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
		Fair value reserve RM'000	translation reserve RM'000				
<b>12 months ended 31 December 2022 (Audited)</b>							
<b>At 1 January 2022</b>	391,651	2,995	(58)	1,523,401	1,917,989	270,273	2,188,262
Dividends distributed to owners of the Company	--	--	--	(144,628)	(144,628)	--	(144,628)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	(12,857)	(12,857)
Capital distribution to non-controlling interests of a subsidiary	--	--	--	--	--	(15)	(15)
Profit for the period	--	--	--	280,351	280,351	29,718	310,069
Other comprehensive income for the period	--	767	57	--	824	75	899
Total comprehensive income	--	767	57	280,351	281,175	29,793	310,968
<b>At 31 December 2022</b>	<b>391,651</b>	<b>3,762</b>	<b>(1)</b>	<b>1,659,124</b>	<b>2,054,536</b>	<b>287,194</b>	<b>2,341,730</b>
<b>12 months ended 31 December 2023 (Unaudited)</b>							
<b>At 1 January 2023</b>	391,651	3,762	(1)	1,659,124	2,054,536	287,194	2,341,730
Dividends distributed to owners of the Company	--	--	--	(257,986)	(257,986)	--	(257,986)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	(26,353)	(26,353)
Profit for the period	--	--	--	334,454	334,454	37,241	371,695
Other comprehensive income for the period	--	(175)	14	--	(161)	(17)	(178)
Total comprehensive income	--	(175)	14	334,454	334,293	37,224	371,517
Reclassification of fair value reserve of an associate	--	(3,587)	--	3,587	--	--	--
<b>At 31 December 2023</b>	<b>391,651</b>	<b>--</b>	<b>13</b>	<b>1,739,179</b>	<b>2,130,843</b>	<b>298,065</b>	<b>2,428,908</b>

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 2022 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the twelve months ended 31 December 2023**

	12 months ended 31/12/2023 RM'000 (Unaudited)	12 months ended 31/12/2022 RM'000 (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from :		
- Continuing operations	394,709	323,348
- Discontinued operation	(10)	12,966
	<u>394,699</u>	<u>336,314</u>
Adjustments for :		
Share of results of associates	(268,125)	(198,323)
Share of results of a joint venture	(24,234)	(15,978)
Depreciation and amortisation	18,925	18,705
Finance costs	1,118	667
Gain on disposal of assets classified as held for sale	(29,303)	(44,771)
Other non-cash items	560	(214)
Other non-operating items	<u>(6,050)</u>	<u>(5,099)</u>
Operating profit before working capital changes	87,590	91,301
Changes in working capital		
(Increase) / Decrease in trade and other receivables	12,962	(38,078)
(Increase) / Decrease in inventories	(46,789)	(22,292)
Increase / (Decrease) in trade and other payables	(28,129)	37,662
Net changes in other current assets and liabilities	(192)	(524)
Income tax refunded	445	1,172
Income tax paid	<u>(27,149)</u>	<u>(20,296)</u>
Net cash from / (used in) operating activities	<u><u>(1,262)</u></u>	<u><u>48,945</u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received from associates	138,601	90,147
Dividends received from a joint venture	20,400	10,200
Interest income	5,782	4,743
Purchase of property, plant and equipment	(26,769)	(6,309)
Purchase of prepaid land lease payments	--	(8,712)
Proceeds from disposal of property, plant and equipment	225	413
Proceeds from disposal of investment properties	--	46
Proceeds from disposal of assets classified as held for sale	<u>47,948</u>	<u>69,316</u>
Net cash from / (used in) investing activities	<u><u>186,187</u></u>	<u><u>159,844</u></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(257,986)	(144,628)
Dividends paid to non-controlling interests of subsidiaries	(26,353)	(12,857)
Capital distribution to non-controlling interest of a subsidiary	--	(15)
Finance costs paid	(1,118)	(667)
Bank borrowings	16,367	(18,988)
Lease payables	<u>(3,354)</u>	<u>(3,472)</u>
Net cash from / (used in) financing activities	<u><u>(272,444)</u></u>	<u><u>(180,627)</u></u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(87,519)</u>	<u>28,162</u>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<u>284,764</u>	<u>256,602</u>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<u><u>197,245</u></u>	<u><u>284,764</u></u>
Cash and cash equivalents comprise :		
Cash and bank balances	197,245	284,764
Bank overdrafts	<u>--</u>	<u>--</u>
	<u><u>197,245</u></u>	<u><u>284,764</u></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 2022 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 2022. 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 2022.

### 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 2022, 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 2023

MFRS 17	Insurance Contracts
Amendments to:	
MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
MFRS 17	Insurance Contracts
MFRS 17	Initial Application of MFRS 17 and MFRS 9 Comparative Information
MFRS 101	Disclosure of Accounting Policies
MFRS 108	Definition of Accounting Estimates
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 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

#### 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

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 31/12/2023	Year to date 12 months ended 31/12/2023	Quarter ended 31/12/2023	Year to date 12 months ended 31/12/2023
	Per Ordinary Share		Amount	
	Sen	Sen	RM'000	RM'000
<u>In respect of the financial year ended 31 December 2022:</u>				
Second interim single tier dividend, declared on 20 February 2023 and paid on 21 March 2023.	--	6.0	--	23,453
Special single tier dividend, declared on 20 February 2023 and paid on 21 March 2023.	--	15.0	--	58,633
Final single tier dividend, proposed on 13 April 2023, approved by shareholders at the last Annual General Meeting on 1 June 2023 and paid on 30 June 2023.	--	6.0	--	23,453
<u>In respect of the financial year ended 31 December 2023:</u>				
First interim single tier dividend, declared on 23 August 2023 and paid on 22 September 2023.	--	6.0	--	23,453
Special single tier dividend, declared on 23 August 2023 and paid on 22 September 2023.	--	20.0	--	78,179
Second interim single tier dividend, declared on 24 November 2023 and paid on 22 December 2023.	6.0	6.0	23,453	23,453
Special single tier dividend, declared on 24 November 2023 and paid on 22 December 2023.	7.0	7.0	27,362	27,362
	<u>13.0</u>	<u>66.0</u>	<u>50,815</u>	<u>257,986</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 : Marketing and distribution of motor vehicles, spare parts and provision of related services.
- (ii) Auto Parts Manufacturing : Manufacturing of automotive parts and components, steel and alloy wheels and discs, 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 December 2023**

	Motor Trading	Auto Parts Manufacturing		All others	Group
	RM'000	Continuing RM'000	Discontinued RM'000	RM'000	RM'000
Revenues from external customers	2,098,240	316,083	--	2,527	2,416,850
Results for reportable segments	53,011	21,531	(17)	23,075	97,600
Share of results of a joint venture	--	24,234	--	--	24,234
Share of results of associates	259,633	8,492	--	--	268,125
Interest income	2,637	1,551	7	1,663	5,858
Finance costs	(788)	(177)	--	(153)	(1,118)
Profit/(loss) before tax for reportable segment	314,493	55,631	(10)	24,585	394,699
Depreciation and amortisation	(10,272)	(6,949)	--	(1,704)	(18,925)
Other significant non-cash items					
- Property, plant and equipment written off	(15)	(5)	--	--	(20)
- Fair value gain on other investment	60	--	--	--	60
- Allowance for slow moving inventories	(347)	(81)	--	--	(428)
- Allowance for slow moving inventories no longer required	74	--	--	--	74
- Allowance for expected credit losses	(176)	--	--	(69)	(245)
Capital expenditure	3,237	23,502	--	30	26,769
Segment assets	542,107	198,079	217	112,882	853,285
Investment in a joint venture	--	69,101	--	22,899	92,000
Investment in associates	1,585,052	69,889	--	--	1,654,941
Segment liabilities	(114,487)	(49,969)	(27)	(6,835)	(171,318)

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

**8. Operating segments (cont'd)**

**Period ended 31 December 2022**

	Motor	Auto Parts Manufacturing		All others	Group
	Trading	Continuing	Discontinued		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	1,989,264	316,108	--	2,241	2,307,613
Results for reportable segments	62,348	48,739	12,936	(6,115)	117,908
Share of results of a joint venture	--	15,978	--	--	15,978
Share of results of associates	190,707	7,616	--	--	198,323
Interest income	2,390	1,108	34	1,244	4,776
Finance costs	(367)	(300)	--	--	(667)
Profit/(loss) before tax for reportable segment	255,078	73,141	12,970	(4,871)	336,318
Depreciation and amortisation	(10,574)	(6,432)	--	(1,699)	(18,705)
Other significant non-cash items					
- Property, plant and equipment written off	(28)	--	--	--	(28)
- Allowance for slow moving inventories	(347)	(271)	--	--	(618)
- Allowance for slow moving inventories no longer required	427	--	--	--	427
- Allowance for expected credit losses	(140)	--	--	(45)	(185)
- Allowance for expected credit losses no longer required	475	--	--	--	475
Capital expenditure	1,770	13,238	--	13	15,021
Segment assets	544,365	190,991	1,278	178,196	914,830
Investment in a joint venture	--	65,266	--	22,899	88,165
Investment in associates	1,459,583	66,013	--	--	1,525,596
Segment liabilities	(119,338)	(61,678)	(78)	(5,767)	(186,861)

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

	Period ended 31/12/2023 RM'000	Period ended 31/12/2022 RM'000
<b><u>Revenues</u></b>		
Total revenues for Group's reportable segments	2,414,323	2,305,372
All others	2,527	2,241
Elimination of discontinued operation	--	--
Revenue, as reported	<u>2,416,850</u>	<u>2,307,613</u>
<b><u>Profit or loss</u></b>		
Total profit / (loss) for Group's reportable segments, including finance costs and interest income	77,755	126,888
All others	24,585	(4,871)
Share of results of a joint venture	24,234	15,978
Share of results of associates	268,125	198,323
Elimination of discontinued operation	10	(12,970)
Profit before tax, as reported	<u>394,709</u>	<u>323,348</u>
<b><u>Assets</u></b>		
Total assets for Group's reportable segments	740,403	736,634
All others	112,882	178,196
Investment in a joint venture	92,000	88,165
Investment in associates	1,654,941	1,525,596
Total assets, as reported	<u>2,600,226</u>	<u>2,528,591</u>
<b><u>Liabilities</u></b>		
Total liabilities for Group's reportable segments	164,483	181,094
All others	6,835	5,767
Total liabilities, as reported	<u>171,318</u>	<u>186,861</u>

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

**8. Operating segments (cont'd)**

The results of the Group's indirect wholly owned subsidiary, OMI Alloy (M) Sdn Bhd ("OMIA"), had been classified as "Discontinued Operation" on 30 June 2019 due to the cessation of its alloy wheel plant's operation.

Results of discontinued operation:

	Quarter ended		Year to date	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	-
Other income	1	257	1	14,104
Administrative and other expenses	-	-	(18)	(1,168)
Interest income	1	34	7	34
Profit / (loss) before tax	2	291	(10)	12,970
Income tax expense	-	(4)	-	(4)
Profit / (loss) from discontinued operation	2	287	(10)	12,966

Net cash flows of discontinued operation:

Net cash used in operating activities	(73)	(676)
Net cash from investing activities	-	14,687
Net Increase / (decrease) in cash and cash equivalents	(73)	14,011

**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 December 2023 is as follows :

	RM'000
Approved and contracted for	10,721
Approved and not contracted for	7,856

**12. Significant related party transactions**

During the period ended 31 December 2023, the Group and the Company had the following transactions with related parties:

	31/12/2023
	RM'000
<b>Group</b>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	1,116,101
Sales to Perodua, its subsidiaries and associates	46,181
Purchases from Daihatsu Motor Co., Ltd	2,007
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	42,123
<b>Company</b>	
Gross dividends from:	
- subsidiaries	59,125
- associates	110,216
Management fees from subsidiaries	209

**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**

**Fourth quarter ended 31 December 2023 compared with fourth quarter ended 31 December 2022**

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 31-Dec-23	Quarter ended 31-Dec-22	Change		Quarter ended 31-Dec-23	Quarter ended 31-Dec-22	Change	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total From Continuing Operations	700,219	650,918	49,301	7.6	115,901	71,978	43,923	61.0
<b>Business segments:</b>								
Motor Trading	613,424	566,138	47,286	8.4	17,946	19,758	(1,812)	(9.2)
Auto Parts Manufacturing	86,173	84,200	1,973	2.3	6,647	3,103	3,544	114.2
Share of results of a joint venture					6,864	4,217	2,647	62.8
Share of results of associates					85,205	46,385	38,820	83.7
Others	622	580	42	7.2	(761)	(1,485)	724	48.8
Total From Discontinued Operation	--	--	--	--	2	291	(289)	(99.3)
<b>Business segments:</b>								
Auto Parts Manufacturing	--	--	--	--	2	291	(289)	(99.3)

**Group**

The Group closed the current quarter with RM700.2 million in revenue, an improvement of RM49.3 million or 7.6% higher than the corresponding quarter in 2022. The Group PBT for current quarter was likewise higher at RM115.9 million with an increase of RM43.9 million or 61.0% coming from better performance in the Auto Parts Manufacturing Division, joint venture entity and much higher associates' performance.

The share of results in joint venture posted an increase in profit of RM2.6 million or 62.8% to close at RM6.9 million as the strong demand from the key market leaders continued in the current quarter to fulfil outstanding bookings.

The share of associates' results increased substantially by RM38.8 million or 83.7% as compared to the same quarter last year mainly due to much higher production and sales volumes.

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

**Motor Trading**

The Division closed the quarter with RM613.4 million in revenue, higher than the corresponding quarter by RM47.3 million or 8.4%. PBT for the Division however retracted by RM1.8 million or 9.2% to close at RM17.9 million.

The higher revenue was contributed by continuous high demand for Perodua vehicles with a 18.4% increase in our sales of Perodua vehicles compared to the corresponding quarter, aided by equally high vehicle supply from Perodua in current quarter to meet outstanding bookings. The sales volume for Volvo and Volkswagen however, remained soft after the sales tax exemption bookings ended on 31 March 2023. Similarly for the commercial vehicles under Daihatsu, sales have been challenging due to model limitations, among others. On a positive note, the Division's aftersales revenue and margins continued its upward trend with aftersales revenue increased by a further 20.4% as compared to the corresponding quarter.

PBT for the Division is marginally lower than the corresponding quarter due to sales mix coming from lower Volvo, Volkswagen and Daihatsu sales volume as well as higher discounting required.

**Auto Parts Manufacturing**

Our Auto Parts Manufacturing Division registered revenue of RM86.2 million for the quarter under review, higher than the corresponding quarter by RM2.0 million or 2.3%. Production volume remained robust in the current quarter as the carmakers increased their production demand towards year end.

PBT for the quarter improved by RM3.5 million or 114.2% to close at RM6.6 million, driven by enhanced margins coming from the high production demand while maintaining costs efficiencies. Further, in the corresponding quarter in 2022, the Division saw higher provisions which did not recur this year, thus bolstering the Division's better performance for the current quarter.

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

**14. Review of Group performance (cont'd)**

**Twelve months year to date ended 31 December 2023 against previous year to date ended 31 December 2022**

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Year to date ended 31-Dec-23 RM'000	Year to date ended 31-Dec-22 RM'000	Change		Year to date ended 31-Dec-23 RM'000	Year to date ended 31-Dec-22 RM'000	Change	
			RM'000	%			RM'000	%
Total From Continuing Operations	2,416,850	2,307,613	109,237	4.7	394,709	323,348	71,361	22.1
<b><u>Business segments:</u></b>								
Motor Trading	2,098,240	1,989,264	108,976	5.5	54,860	64,371	(9,511)	(14.8)
Auto Parts Manufacturing	316,083	316,108	(25)	(0.0)	22,905	19,140	3,765	19.7
One-off gains from disposals~					28,358	30,407	(2,049)	(6.7)
Share of results of a joint venture					24,234	15,978	8,256	51.7
Share of associates' results					268,125	198,323	69,802	35.2
Others	2,527	2,241	286	12.8	(3,773)	(4,871)	1,098	22.5
Total From Discontinued Operation	--	--	--	--	(10)	12,970	(12,980)	(100.1)
<b><u>Business segments:</u></b>								
Auto Parts Manufacturing	--	--	--	--	(10)	848	(858)	(101.2)
One-off gains from disposals~					--	12,122	(12,122)	(100.0)

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

**Group**

For the 12-month period ended 31st December 2023, the Group achieved RM2,416.9 million in revenue, RM109.2 million or 4.7% higher than the corresponding period in 2022, breaking the previous year's record high revenue of RM2,307.6 million. The increase was contributed mostly by higher vehicle sales and aftersales revenue.

The Group's PBT from Continuing Operations for the current period under review was RM394.7 million, RM71.4 million or 22.1% higher than the same period in 2022. Included in this current period's PBT was a non-operating gain of RM28.4 million from the disposal of a piece of vacant land in Bandar Sri Sendayan, Negeri Sembilan. Similarly, the PBT for the same period in 2022 consisted of non-operating gains of RM30.4 million arising from the disposal of a piece of leasehold land with factory buildings located at Bandar Serendah, Selangor. Excluding these non-operating gains from both periods, the Group's PBT from Continuing Operations for the current period in 2023 was RM366.3 million, RM73.4 million or 25.1% higher than the corresponding period's PBT of RM292.9 million. The higher profit in current period arose mainly from the overall higher sales and production volume and the share of the associates and joint venture's results.

The higher share of results in joint venture of RM8.3 million or 51.7% mainly came from the high production demand from carmakers and a share of lump sum costs recovery of approximately RM2.4 million received from certain OEMs during the year.

Our share of the associates' results of RM268.1 million was also higher by RM69.8 million or 35.2% against the corresponding period with Perodua registered vehicle sales of 330,325 units, 17.1% higher than the corresponding period of 282,019 units, and contributed to 95.1% of our share of the associates' profits.

**Motor Trading**

For the 12-month period ended 31st December 2023, the Division achieved RM2,098.2 million in revenue, RM109.0 million or 5.5% higher than the corresponding period in 2022. The higher revenue was primarily driven by the 16.0% increase in the Division's Perodua sales volume and the consistently improved aftersales performance which was also higher by 10.2% as compared to the corresponding period in 2022. This 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 aforementioned challenges, the Division still achieved PBT of RM54.9 million, although lower than the preceding year by RM9.5 million or 14.8%.

**Auto Parts Manufacturing**

Our Auto Parts Manufacturing Division registered revenue of RM316.1 million for the period under review which was comparable to the preceding year whilst achieving higher PBT of RM22.9 million which is RM3.8 million or 19.7% better than the preceding year. The better performance was mainly driven by the aforesaid 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)**

**Fourth quarter ended 31 December 2023 against previous quarter ended 30 September 2023**

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 31-Dec-23	Quarter ended 30-Sep-23	Change		Quarter ended 31-Dec-23	Quarter ended 30-Sep-23	Change	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total From Continuing Operations	700,219	621,271	78,948	12.7	115,901	123,402	(7,501)	(6.1)
<u>Business segments:</u>								
Motor Trading	613,424	538,023	75,401	14.0	17,946	14,638	3,308	22.6
Auto Parts Manufacturing	86,173	82,634	3,539	4.3	6,647	6,021	626	10.4
One-off gains from disposals~					--	28,358	(28,358)	(100.0)
Share of results of a joint venture					6,864	5,358	1,506	28.1
Share of associates' results					85,205	69,738	15,467	22.2
Others	622	614	8	1.3	(761)	(711)	(50)	(7.0)
Total From Discontinued Operation	--	--	--	--	2	(4)	6	150.0
<u>Business segments:</u>								
Auto Parts Manufacturing	--	--	--	--	2	(4)	6	150.0

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

**Group**

Against the preceding quarter, the Group's revenue was higher by RM78.9 million or 12.7%, contributed by both Divisions. Similarly, operating PBT for the Group was also higher by RM20.9 million or 21.9% as compared to the preceding quarter's PBT after excluding the aforesaid non-operating gain recognised in the preceding quarter. The higher performance was mainly contributed by the anticipated higher production and sales volumes in the last quarter of the year.

**Motor Trading**

The Motor Trading Division concluded the quarter with RM613.4 million in revenue, well above the preceding quarter by RM75.4 million or 14.0%. The surge was primarily attributed to higher vehicle sales for all our brands, complimented by better vehicle supplies especially from Perodua.

The operating PBT therefore also increased by RM3.3 million or 22.6% to close at RM17.9 million.

**Auto Parts Manufacturing**

Against the preceding quarter, the Division's revenue was also higher by RM3.5 million or 4.3% for the aforementioned reasons.

PBT for the Division therefore increased accordingly to RM6.6 million, RM0.6 million or 10.4% higher against the preceding quarter.

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

**15. Current year prospects**

Malaysia is expected to deliver a GDP growth of between 4% to 5%, based on BNM's latest forecast in November 2023. Financing conditions are expected to remain stable, with various research houses predicting that BNM will maintain its OPR at 3% for the remainder of the year.

Continued government support for vehicle electrification, as well as potential launches of new EV models should sustain consumer interest in the automotive industry. However, several challenges remain, notably the high cost of living, the introduction of the High-Value Goods Tax, the increase of the service tax rates and concerns about targeted subsidy rationalisation. This could have an impact on consumer demand for vehicle sales and repair and maintenance services. Total Industry Volume and Total Industry Production is expected to decrease compared to 2023.

As such, the Group expects 2024 to be a more challenging year compared to 2023. Nevertheless, the Group remains focused on strengthening its business performance through enhancing the customer experience for its retail customers while continuing to improve operational efficiency and mitigating cost pressures.

**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 31/12/2023 RM'000	Year to date 31/12/2023 RM'000
Current year's provision	9,199	22,465
Add : Effect of real property gains tax	--	2,836
Add : Under/(Over) provision in prior years	<u>(27)</u>	<u>389</u>
	9,172	25,690
Deferred taxation	<u>(2,686)</u>	<u>(2,686)</u>
Income tax expense	<u><u>6,486</u></u>	<u><u>23,004</u></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 31/12/2023 %	Year to date 31/12/2023 %
Statutory income tax rate in Malaysia	24.0	24.0
Adjustment for tax applicable to share of results of associates	(17.6)	(16.3)
Adjustment for tax applicable to share of results of a joint venture	(1.4)	(1.5)
Expenses not deductible for tax purpose / (Income not subject to tax)	0.7	(1.2)
Effects of income subject to real property gain tax	--	0.7
Under/(Over) provision of income tax in prior year	<u>--</u>	<u>0.1</u>
	<u><u>5.7</u></u>	<u><u>5.8</u></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 31/12/2023		
	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total Borrowings RM'000
Denominated in Malaysian Currency (RM)			
Secured	16,367	--	16,367
Unsecured	--	--	--
Total	<u><u>16,367</u></u>	<u><u>--</u></u>	<u><u>16,367</u></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 did not declare any dividend for the current quarter.

**22. Earnings per ordinary share (EPS)**

	Quarter ended		Year to date 12 months ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
<b>Basic and diluted earnings / (loss) per share</b>	RM'000	RM'000	RM'000	RM'000
Profit / (loss) attributable to owners of the Company:				
- Continuing operations	97,812	55,922	334,464	267,385
- Discontinued operation	2	287	(10)	12,966
	97,814	56,209	334,454	280,351
Number of ordinary shares in issue	'000	'000	'000	'000
	390,887	390,887	390,887	390,887
Basic and diluted earnings / (loss) per share (sen):				
- Continuing operations	25.02	14.31	85.57	68.40
- Discontinued operation	--	0.07	--	3.32
	25.02	14.38	85.57	71.72

The basic and diluted earnings / (loss) 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 2022 was not qualified.

**24. Items to disclose in the Statement of Comprehensive Income**

	Quarter ended		Year to date 12 months ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
a) Depreciation and amortisation	(4,941)	(4,761)	(18,925)	(18,705)
b) Property, plant and equipment written off	--	(28)	(20)	(28)
c) Gain on disposal of property, plant and equipment	8	69	192	324
d) Gain on disposal of investment properties	--	3	--	3
e) Gain on disposal of assets classified as held for sale	--	--	29,303	44,771
f) Fair value gain other investment	60	--	60	--
g) Allowance for slow-moving inventories	(14)	(488)	(428)	(618)
h) Allowance for slow-moving inventories no longer required	74	427	74	427
i) Allowance for expected credit loss	(71)	--	(245)	(185)
j) Allowance for expected credit loss no longer required	--	475	--	475
k) Realised gain / (loss) on foreign exchange	(27)	(30)	(110)	(51)

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

**WONG PEIR CHYUN**  
**COMPANY SECRETARY**  
**KUALA LUMPUR**  
**DATED : 28 FEBRUARY 2024**