MBM RESOURCES BERHAD
(284496-V)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the third quarter ended 30/09/2007.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT (RM '000)

	Current Quarter Ended 30/09/2007	Comparative Quarter Ended 30/09/2006	9 months Cumulative To Date 30/09/2007	Comparative 9 months Cumulative To Date 30/09/2006
Revenue	320,097	332,565	847,303	921,362
Cost of Sales	(286,657)	(304,154)	(765,134)	(844,499)
Gross Profit	33,440	28,411	82,169	76,863
Other Income	5,041	4,881	14,515	22,751
Administrative and other expenses	(11,573)	(10,287)	(34,218)	(41,582)
Selling and marketing expenses	(7,376)	(3,268)	(20,690)	(12,889)
Profit from operations	**19,532**	**19,737**	**41,776**	**45,143**
Finance costs	(1,015)	(1,071)	(3,040)	(3,401)
Share of results of associates	30,745	19,245	71,668	61,221
Profit before tax	**49,262**	**37,911**	**110,404**	**102,963**
Income tax expense	(5,226)	(4,754)	(10,390)	(11,553)
Profit for the period	**44,036**	**33,157**	**100,014**	**91,410**
Attributable to :				
Equity holders of the Company	38,464	28,793	87,874	78,755
Minority Interests	5,572	4,364	12,140	12,655
	44,036	**33,157**	**100,014**	**91,410**
Earnings per share attributable to equity holders of the Company :	sen	sen	sen	sen
(i) Basic, for the period	15.99	12.19	36.53	33.35
(ii) Diluted, for the period	15.74	11.80	35.97	32.28

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)

MBM RESOURCES BERHAD
(284496-V)

CONDENSED CONSOLIDATED BALANCE SHEET (RM '000)

	(Unaudited) As at end of Current Quarter 30/09/2007	(Audited) As at preceding Financial Year Ended 31/12/2006
ASSETS		
Non-current Assets		
Property, plant & equipment	102,782	98,402
Investment properties	13,978	16,952
Prepaid land lease payments	33,927	30,070
Associates	470,061	404,064
Other investment	--	--
Hire purchase receivables	4,421	7,474
Goodwill on consolidation	13,546	12,878
	638,715	569,840
Current Assets		
Inventories	143,137	156,158
Trade & other receivables	96,642	100,900
Tax recoverable	7,594	4,294
Due from associate	36	35
Short term investments	251	251
Cash and bank balances	123,203	108,316
	370,863	369,954
Non-current assets classified as held for sale	14,816	14,821
	385,679	384,775
TOTAL ASSETS	**1,024,394**	**954,615**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	241,763	238,537
Share premium	30,082	25,313
Retained profits	463,738	397,231
	735,583	661,081
Minority Interests	119,248	118,848
Total Equity	**854,831**	**779,929**
Non-current Liabilities		
Long term borrowings	9,138	8,346
Deferred tax liabilities	493	680
Provision for retirement benefits	1,167	1,328
	10,798	10,354
Current Liabilities		
Provision for liabilities	5,333	5,502
Short term borrowings	49,237	69,093
Trade & other payables	95,024	87,828
Due to holding company	1,430	1,357
Tax payable	7,741	552
	158,765	164,332
Total Liabilities	**169,563**	**174,686**
TOTAL EQUITY AND LIABILITIES	**1,024,394**	**954,615**
Net assets per share (RM)	3.04	2.77

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2007

	[---------- Attributable to equity holders of Company ----------]					
	Share Capital RM'000	Non-distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
9 months ended 30 September 2006						
At 1 January 2006						
As previously stated	234,792	19,887	333,357	588,036	106,418	694,454
Prior year adjustment	--	--	(7,651)	(7,651)	(462)	(8,113)
At 1 January 2006 (restated)	234,792	19,887	325,706	580,385	105,956	686,341
Effect of adopting FRS3	--	--	10,095	10,095	--	10,095
	234,792	19,887	335,801	590,480	105,956	696,436
Issue of ordinary shares pursuant to ESOS	2,890	4,197	--	7,087	--	7,087
Additional purchase of shares in a subsidiary	--	--	--	--	(15)	(15)
Profit for the year	--	--	78,755	78,755	12,655	91,410
Dividends distributed to equity holders	--	--	(30,662)	(30,662)	--	(30,662)
Dividends paid by subsidiary	--	--	--	--	(3,267)	(3,267)
As at 30 Sep 2006	237,682	24,084	383,894	645,660	115,329	760,989
9 months ended 30 September 2007						
At 1 January 2007	238,537	25,313	397,231	661,081	118,848	779,929
Issue of ordinary shares pursuant to ESOS	3,226	4,769	--	7,995	--	7,995
Additional purchase of shares in a subsidiary	--	--	--	--	(8,685)	(8,685)
Rights issue in a subsidiary	--	--	(259)	(259)	1,347	1,088
Profit for the year	--	--	87,874	87,874	12,140	100,014
Dividends distributed to equity holders	--	--	(21,108)	(21,108)	--	(21,108)
Dividends paid by subsidiary	--	--	--	--	(4,402)	(4,402)
As at 30 Sep 2007	241,763	30,082	463,738	735,583	119,248	854,831

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)

MBM RESOURCES BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2007

	2007 9 months ended 30/09/2007 RM'000	2006 9 months ended 30/09/2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	110,404	102,963
Adjustments for :		
Non-cash Items	(63,385)	(55,785)
Non-operating Items	989	6,503
Operating profit before working capital changes	48,008	53,681
Changes in working capital		
Net changes in current assets	19,229	50,215
Net changes in current liabilities	(3,026)	(45,047)
Net cash used in operating activities	64,211	58,849
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investment	5,672	10,754
Other investment	(10,152)	26,544
Additional purchase of shares in a subsidiary	(9,353)	--
Acquisition of subsidiary	--	(6,300)
Acquisition of associates	--	(19,588)
Net cash generated from investing activities	(13,833)	11,410
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(21,108)	(30,662)
Dividends paid to minorities of a subsidiary	(4,402)	(3,267)
Proceeds from exercise of ESOS	7,996	7,087
Proceeds from rights issue in a subsidiary	1,088	--
Bank borrowings	(12,572)	(34,146)
Net cash generated from financing activities	(28,998)	(60,988)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	21,380	9,271
CASH AND CASH EQUIVALENTS AT 1 JANUARY	100,051	65,256
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	121,431	74,527
Cash and cash equivalents comprise :		
Cash and bank balances	123,454	76,684
Bank overdrafts	(2,023)	(2,157)
	121,431	74,527

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)

EXPLANATORY NOTES

(1) Accounting policies

The interim financial report is unaudited and has been prepared in accordance with FRS 134_{2004} : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements for the year ended 31 December 2006.

The accounting policies and method of computation adopted are consistent with those adopted in the most recent audited financial statement for the year ended 31 December 2006.

(2) Auditors' Report of Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group and of the Company for the year ended 31 December 2006 was not qualified.

(3) Seasonal and Cyclical Factor

The main activity of the Group is in the distributorship of motor vehicles and is therefore dependent on the economy of the country.

(4) Exceptional Items

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

(5) Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period

(6) Debt and Equity Securities

There were no issuances and repayment of debt securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period under review except for the following :-

Employee Share Options Scheme ("ESOS")

During the quarter ended 30 September 2007 pursuant to the Company's ESOS, the issued and paid-up capital of the Company was increased from RM240,633,667 to RM241,762,667 as a result of the exercise and allotment of 1,129,000 option shares of par value RM1.00 each as follows:

Option price per share (RM)	No of shares issued	Cash proceeds (RM)
2.54 2.43	450,000 679,000	1,143,000 1,649,970
	1,129,000	2,792,970

The number of unexercised share options as at 30 September 2007 was 3,745,000.

EXPLANATORY NOTES (Contd.)

(7) Dividends Paid

A first interim dividend of 6.0 sen per share less 27% income tax on 241,607,667 ordinary shares, amounting to net dividend of RM10,582,413 in respect of financial year ending 31 December 2007 was paid on 25 September 2007.

(8) Valuation of Property, Plant & Equipments

The valuation of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2006.

(9) Segment Reporting

The Group's operating businesses are organised into three major business segments :

	Period ended 30/09/2007	
	Segment Revenue RM'000	Segment Results RM'000
Marketing and distribution of motor vehicles, and other related activities	780,762	37,263
Manufacturing of automotive parts, trucks, and vehicles body building and other related activities	67,220	5,140
Investment holding	22,822	20,219
	870,804	62,622
Eliminations	(23,501)	(23,886)
	847,303	38,736
Share of results of associates	--	71,668
Revenue / Profit before tax	847,303	110,404

(10) Subsequent Material Events

There were no material event or transaction during the period from 30 September 2007 to the date of this announcement, which affects substantially the results of the operations of the Group for the period ended 30 September 2007 in respect of which this announcement is made other than the following :

Issue of shares

Subsequent to 30 September 2007, the company issued 90,000 and 141,000 ordinary shares of RM1.00 for cash pursuant to the Company's ESOS at exercise prices of RM2.54 and RM2.43 per ordinary share respectively.

After taking into account these new shares, the paid-up capital of the company was increased to RM241,993,667 as of 2 November 2007.

EXPLANATORY NOTES (Contd.)

(11) Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter.

(12) Changes in Contingent Liabilities and Contingent Assets

As at the date of this report, the Company or the Group does not have any contingent liabilities or contingent assets and none has arisen since the last annual balance sheet date.

(13) Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2007 is as follows :

	RM'000
Approved and contracted for	16,570

(14) Review of Performance

Current quarter

For the 3 months ended 30 September 2007, the Group recorded a 3.7% lower revenue of RM320.1 million, however the Group's operating profit before tax was better by 29.9% to RM49.3 million as compared to the third quarter 2006.

Compared to the same quarter of 2006, unit sales declined, including Perodua vehicle sales by subsidiary, DMM Sales, by 4.4%, Volvo car sales of subsidiary Federal Auto by 15.6% and Daihatsu trucks sales by 1.5%. These were partially offset by revenue from steel wheel manufacturer, Oriental Metal Industries, which was better by 21.1%.

Despite the lower sales, favourable Ringgit strength against the weaker Yen helped to achieve a better margin. The higher contribution from associate company was from both Perodua and Hino. Hino recorded better trucks unit sales by 39.2% while Perodua vehicles unit sales was better by 17.5% as compared to third quarter 2006.

Year-to-date

For the 9 months ended 30 September 2007, the Group recorded an 8.0% lower revenue of RM847.3 million, however the Group's operating profit before tax was better by 7.2% to RM110.4 million as compared to 9 months ended 30 September 2006.

Compared to the same period of 2006, unit sales declined for operational subsidiaries including, Perodua vehicles sales by DMM Sales by 13.0%, Daihatsu trucks sales by 7.8%, Volvo car sales fell by 6.9%, whereas Oriental Metal Industries revenue was marginally higher by 2.3%. This was, however, off-set by the better performance by associate companies with higher unit sales from Hino trucks by 24.7% and Perodua vehicles by 2.4%.

Despite a better 3rd quarter this year compared with 2006, the auto industry has not recovered from the weak two preceding quarters with TIV for the 9 months of 2007 which fell 6.3% to 358,234 from 382,403 recorded in 2006 of the same period.

As disclosed in the Audited Financial Statements for the year ended 31 December 2006, the acquisition of Inai Benua Sdn Bhd and Hino Motors (Malaysia) Sdn Bhd have given rise to excess of fair value of net assets acquired over the acquisition cost of RM2.8 million. This amount was included in the Group's operating profit before tax for period ended 30 September 2006. Excluding this amount, the Group's operating profit before tax for year-to-date 30 September 2007 was better by 10.3%.

EXPLANATORY NOTES (Contd.)

(15) Comparison against preceding quarter's results

The Group's revenue improved by 16.9% to RM320.1 million from RM273.8 mil in the second quarter 2007. The Group's operating profit before tax improved 29.1% to RM49.3 million from RM38.2 million in the second quarter 2007.

As reported by the Malaysian Automotive Association ("MAA"), the TIV for the third quarter 2007 continued to improve 18.7% to 137,495 units from 115,789 units in the second quarter. The improved market condition was reflected in the better performance of the Group, both from subsidiaries and associate companies. On vehicle sales, Daihatsu trucks unit sales improved from the second quarter by 25.5%, while Perodua vehicle unit sales by DMM Sales was better by 19.1%. Associate company, Perodua recorded better vehicle unit sales by 14.5% as compared to the second quarter 2007.

(16) Current Year Prospect

Given the expected continuing demand for vehicles for the rest of the year, the performance of the Group is expected to improve compared to the previous year.

(17) Variance from Profit Forecast and Profit Guarantee

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

(18) Taxation

	Current Quarter 30/09/2007 RM'000	Year to date 30/09/2007 RM'000
Current year's provision		
Add/(Less) :	5,226	10,577
Under/(Over) provision in prior years	--	--
	5,226	10,577
Deferred taxation	--	(187)
Income tax expense	5,226	10,390
Effective tax rate	28.2%	26.8%

The effective rate of taxation of the Group for the current quarter is marginally higher than the statutory rate of taxation at 27%, is due to expenses of certain subsidiaries not deductible for tax purposes. The year-to-date taxation of the Group had been provided based on statutory rate of taxation at 27%.

(19) Profit or Loss on Sales of Unquoted Investments and/or Properties

The investment property held by subsidiary, Summit Vehicles Body Works Sdn. Bhd., with a book value of RM2.9 million was disposed during the current quarter with a net loss of RM0.2 million.

EXPLANATORY NOTES (Contd.)

(20) Quoted Investments

There are no sales or purchases of quoted securities for the current quarter.

(21) Corporate Proposals

Subsequent to the second quarter 2007 announcement made on 9 August 2007, there were no further corporate proposals being made or undertaken by the Group and the Company.

(22) Group Borrowings and Debt Securities

Group borrowings and debt securities as at the end of the reporting period :-

	Short Term Borrowings RM'000	Long Term Borrowings RM'000
Denominated in Malaysian Currency (RM)		
Secured	8,687	9,138
Unsecured	40,550	--
Total	49,237	9,138

(23) Financial Instruments with Off Balance Sheet Risk

As at the date of this announcement, the Group has the following foreign currency contract outstanding:

Currency	Contracted Amounts	Equivalent in RM	Expiry Date
Yen	332,688,150	9,809,096	19 Sep 2007 - 22 Nov 2007

(i) The foreign currency contract is a forward contract of short term nature. There is no financial instruments with off balance sheet risk, and the Group does not calculate the difference between the contracted rates and the spot rates and therefore does not take up the difference in the income statement.

(ii) The foreign currency contracts are entered into to hedge the Group's purchases denominated in foreign currency. The contracted rates will be used to convert the Malaysian Ringgit to foreign currency.

(iii) Forward foreign exchange contracts are used to firm the exchange rate for payments in foreign currency. The maturity period for each contract depends on the payments date agreed with the suppliers. The hedging immunises the Group from market or other risks such that the values of the underlying liabilities are fixed. Besides a small fee, there are no other cash requirements for these contracts.

(The accounting policies adopted are consistent with those adopted in the audited financial statements for the year ended 31 December 2006)

EXPLANATORY NOTES (Contd.)

(24) Material Litigations

There is no material litigation as at the date of this reporting.

(25) Dividend

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

(26) Earnings Per Share

Basic earnings per share for the third quarter of 2007 and period ended 30 September 2007 is calculated by dividing the net profit attributable to the shareholders of RM38,464,000 and RM87,874,000 by the weighted average number of 240,561,326 ordinary shares in issue as at 30 September 2007.

(Comparative basic earnings per share for the third quarter of 2006 and period ended 30 September 2006 was calculated by dividing the net profit attributable to the shareholders of RM28,793,000 and RM78,755,000 by the weighted average number of 236,157,118 ordinary shares as at 30 September 2006)

Diluted earnings per share for the third quarter of 2007 and period ended 30 September 2007 is calculated by dividing the net profit attributable to the shareholders of RM38,464,000 and RM87,874,000 by the weighted average number of ordinary shares in issue and issuable of 244,306,326 as at 30 September 2007.

(Comparative diluted earnings per share for the third quarter of 2006 and period ended 30 September 2006 was calculated by dividing the net profit attributable to the shareholders of RM28,793,000 and RM78,755,000 by the weighted average number of ordinary shares in issue and issuable of 243,983,118 ordinary shares as at 30 September 2006)

	No of Ordinary Shares of RM 1.00 each	
	30 Sep 2007	30 Sep 2006
Weighted average number of ordinary shares as at	240,561,326	236,157,118
Adjustment for assumed exercise of ESOS	3,745,000	7,826,000
Adjusted weighted average number of ordinary shares in issue and issuable	244,306,326	243,983,118

BY ORDER OF THE BOARD
MBM RESOURCES BERHAD

SHAHRIZAT OTHMAN
COMPANY SECRETARY
KUALA LUMPUR
DATED : 14 NOVEMBER 2007