



QUARTERLY ANNOUNCEMENT
For the third quarter ended 30 September 2014

Summary (against the same quarter in the previous financial year)

- Group's revenue recorded a decline of 11.9%
- Operating profits declined by 38.2% due to lower revenues from auto parts manufacturing
- Associates' contribution declined by 24.7% due to lower volumes and start up costs on a new manufacturing facility
- As a result, profit before tax declined by 28.1%

Results

	Quarter ended 30 Sep			Year to date ended 30 Sep		
	2014 RM mil	2013 RM mil	Change %	2014 RM mil	2013 RM mil	Change %
Revenue	484.0	549.3	(11.9)	1,557.9	1,732.9	(10.1)
Profit before tax	35.9	49.9	(28.1)	119.6	149.2	(19.9)
Profit for the period	31.9	45.7	(30.3)	106.2	134.8	(21.2)
Profit attributable to owners of the Company	25.5	35.1	(27.4)	80.2	105.0	(23.7)
	Sen	Sen		Sen	Sen	
Basic earnings per share	6.5	9.0	(27.5)	20.5	26.9	(23.7)
	As at 30 Sep 2014 RM mil	As at 31 Dec 2013 RM mil				
Equity attributable to owners of the Company	1,494.5	1,441.8	3.7			
	RM	RM				
Net assets per share	3.83	3.69	3.7			
	1st Interim 2014 Sen	1st Interim 2013 Sen		YTD 2014 Sen	YTD 2013 Sen	
Dividend per share	4.0	3.0	33.3	4.0	3.0	33.3

Performance of sales by operations

% Changes *	Q3'14	Q3'14	YTD Sep'14
	vs Q2'14	vs Q3'13	vs YTD Sep'13
<u>Total Industry Volume (TIV) **</u>	- 8.1	- 8.8	+ 0.9
<u>Total Industry Production (TIP) **</u>	- 18.4	- 8.3	+ 2.8
<u>Total Group's Vehicles Sales</u>	- 17.1	- 13.8	- 8.2
<u>Subsidiaries</u>			
DMSB - Daihatsu & Hino trucks	- 21.0	+ 4.1	- 13.8
DMMS Perodua vehicles	- 19.6	- 15.2	- 5.8
Federal Auto : Volvo, Volkswagen & Mitsubishi vehicles	+ 2.7	- 13.8	- 17.3
HHB	- 17.0	- 10.5	+ 3.5
OMI	- 28.8	+ 18.4	+ 24.7
<u>Associated companies</u>			
Perodua vehicles	- 10.3	- 12.3	- 3.5
Hino trucks	- 1.9	- 14.1	- 14.4

Legend

DMSB : Daihatsu (Malaysia) Sdn Bhd
DMMS : DMM Sales Sdn Bhd
HHB : Hirota Holdings Berhad
OMI : Oriental Metal Industries (M) Sdn Bhd

* All changes based on vehicle unit sales, except for HHB and OMI which are based on sales values

** Source : Malaysian Automotive Association (MAA) 2014 and 2013

QUARTERLY ANNOUNCEMENT
For the third quarter ended 30 September 2014

Group Financial Performance

Third quarter ended 30 September 2014 compared with third quarter ended 30 September 2013

	Revenue			Profit before tax		
	Quarter ended 30-Sep-14 RM'000	Quarter ended 30-Sep-13 RM'000	Change %	Quarter ended 30-Sep-14 RM'000	Quarter ended 30-Sep-13 RM'000	Change %
Consolidated Total	484,045	549,339	(11.9)	35,884	49,921	(28.1)
<u>Business segments:</u>						
Motor Trading	388,588	450,246	(13.7)	3,811	2,064	84.6
Auto parts manufacturing	95,457	99,096	(3.7)	7,552	14,899	(49.3)
Share of associates' results				28,644	38,031	(24.7)
Others				(4,123)	(5,073)	18.7
Operating profit before interests, tax and associates				9,501	15,366	(38.2)

Group

The Group's revenue declined by 11.9% to RM484.0 million. Operating profits fell by 38.2% to RM9.5 million. Share of results of associate companies fell by 24.7% to RM28.6 million. Net profit attributable to owners of the Company declined by 27.4% to RM25.5 million.

Overall the decline in operating profits was mainly attributable to lower deliveries by the manufacturing division in line with lower production volumes from major car makers. This was slightly offset by better operating profits from motor trading.

Associates' results declined 24.7% to RM28.6 million due to lower volumes and start up costs of a new manufacturing facility during the quarter.

The Group's gross debt to equity ratio as at 30 September 2014 was 24.5% compared with 29.8% as at the end of the same period last year.

Net assets per share rose to RM3.83 as at the end of 30 September 2014.

Motor Trading

Revenues from motor trading declined by 13.7% to RM388.6 million mainly due to lower sales volumes from Volkswagen and Perodua. However, overall higher aftersales revenue and continuous cost management efforts helped improve operating profits by 84.6% to RM3.8 million.

Auto Parts Manufacturing

Auto parts manufacturing revenues fell by 3.7% to RM95.5 million and operating profits declined by 49.3% to RM7.6 million. This was mainly attributable to lower deliveries in line with lower demand from major car makers and losses incurred by the new alloy wheel manufacturing operations.

QUARTERLY ANNOUNCEMENT
For the third quarter ended 30 September 2014

Third quarter ended 30 September 2014 against previous quarter ended 30 June 2014

	Revenue			Profit before tax		
	Quarter ended 30-Sep-14 RM'000	Quarter ended 30-Jun-14 RM'000	Change %	Quarter ended 30-Sep-14 RM'000	Quarter ended 30-Jun-14 RM'000	Change %
Consolidated Total	484,045	565,628	(14.4)	35,884	47,311	(24.2)
Business segments:						
Motor Trading	388,588	445,113	(12.7)	3,811	3,268	16.6
Auto parts manufacturing	95,457	120,515	(20.8)	7,552	17,195	(56.1)
Share of associates' results				28,644	31,733	(9.7)
Others				(4,123)	(4,885)	15.6
Operating profit before interests, tax and associates				9,501	18,938	(49.8)

Group

The Group's revenue declined by 14.4% due to lower sales from motor trading and auto parts manufacturing. Profit from operations fell by 24.2% and share of results of associate companies declined by 9.7%. Net profit attributable to owners of company fell by 18.4%.

Motor Trading

The decrease in revenues was mainly attributable to shorter working days due to the Raya festive season and customers holding back purchasing Perodua cars in anticipation of the launch of Perodua Axia.

Auto Parts Manufacturing

Revenues declined by 20.8% mainly due to lower demand from major car makers. As a result, operating profits fell by 56.1%.

PROSPECTS

In spite of industry challenges (due to factors affecting consumer purchases, such as tighter financing conditions for consumers), the motor trading division is expected to gain traction in the fourth quarter on the back of new model launches and continued growth in aftersales throughputs.

OMI Alloy continues to record losses. However, revenues are expected to improve in the fourth quarter because it has secured orders to a major car model.

The losses from investments in new manufacturing facilities by our associates are expected to narrow by the end of this year.

Board of Directors
MBM Resources Berhad
18 November 2014

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the nine months ended 30 September 2014 - unaudited

	Note	Current Quarter Ended 30/09/2014 RM'000	Comparative Quarter Ended 30/09/2013 RM'000	9 months Cumulative To Date 30/09/2014 RM'000	Comparative 9 months Cumulative To Date 30/09/2013 RM'000
Revenue	18	484,045	549,339	1,557,878	1,732,864
Cost of sales		<u>(443,156)</u>	<u>(505,971)</u>	<u>(1,423,658)</u>	<u>(1,603,436)</u>
Gross profit		40,889	43,368	134,220	129,428
Other income		8,197	11,755	25,684	33,164
Administrative and other expenses		(23,187)	(22,002)	(68,810)	(66,249)
Selling and marketing expenses		<u>(16,398)</u>	<u>(17,755)</u>	<u>(50,470)</u>	<u>(47,969)</u>
Operating profits		9,501	15,366	40,624	48,374
Interest income		2,835	2,463	6,808	6,149
Finance costs		<u>(5,096)</u>	<u>(5,939)</u>	<u>(15,565)</u>	<u>(17,838)</u>
Net (finance costs)/interest income		(2,261)	(3,476)	(8,757)	(11,689)
Share of results of associates, net of tax		<u>28,644</u>	<u>38,031</u>	<u>87,691</u>	<u>112,515</u>
Profit before tax	18	35,884	49,921	119,558	149,200
Income tax expense	19	<u>(4,006)</u>	<u>(4,196)</u>	<u>(13,361)</u>	<u>(14,370)</u>
Profit for the period		<u>31,878</u>	<u>45,725</u>	<u>106,197</u>	<u>134,830</u>
Profit attributable to:					
Owners of the Company		25,493	35,124	80,151	105,031
Non-controlling interests		<u>6,385</u>	<u>10,601</u>	<u>26,046</u>	<u>29,799</u>
Profit for the period		<u>31,878</u>	<u>45,725</u>	<u>106,197</u>	<u>134,830</u>

The notes on pages 10 to 18 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)
For the nine months ended 30 September 2014 - unaudited

	Current Quarter Ended 30/09/2014 RM'000	Comparative Quarter Ended 30/09/2013 RM'000	9 months Cumulative To Date 30/09/2014 RM'000	Comparative 9 months Cumulative To Date 30/09/2013 RM'000
Profit for the period	31,878	45,725	106,197	134,830
Other comprehensive (loss)/income, net of tax				
<i>Item that will not be reclassified subsequently to profit or loss:</i>	--	--	--	--
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Changes in fair value of available- for-sale financial asset	--	--	--	(417)
Gain on sale of available-for-sale financial assets	--	--	--	417
Net gain/(loss) on cash flow hedges of an associate	(446)	(227)	(155)	1,769
Other comprehensive income for the period, net of tax	(446)	(227)	(155)	1,769
Total comprehensive income for the period	<u>31,432</u>	<u>45,498</u>	<u>106,042</u>	<u>136,599</u>
Total comprehensive income attributable to:				
Owners of the Company	25,090	34,897	80,016	106,576
Non-controlling interests	6,342	10,601	26,026	30,023
Total comprehensive income for the period	<u>31,432</u>	<u>45,498</u>	<u>106,042</u>	<u>136,599</u>
Earnings per ordinary share	sen	sen	sen	sen
Basic	20 6.52	8.99	20.51	26.88
Diluted	20 6.52	8.72	20.51	26.08

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 September 2014 - unaudited

		As at end of Current Quarter 30/09/2014 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2013 RM'000
	Note	<u>RM'000</u>	<u>RM'000</u>
ASSETS			
Non-Current Assets			
Property, plant & equipment		394,164	385,612
Prepaid land lease payments		38,558	38,950
Investment properties		37,388	31,633
Investment in associates		928,401	892,479
Other investment		2,200	1,000
Intangible assets		4,400	5,407
Deferred tax assets		2,953	2,953
Goodwill on consolidation		227,007	227,007
Total Non-Current Assets		<u>1,635,071</u>	<u>1,585,041</u>
Current Assets			
Property development costs		125,479	84,578
Inventories		250,850	282,439
Trade & other receivables and prepaid expenses		212,191	257,606
Amount owing by associates		--	10
Tax recoverable		16,579	13,783
Cash and bank balances		339,594	324,508
Deferred tax assets		6,072	6,072
Total Current Assets		<u>950,765</u>	<u>968,996</u>
TOTAL ASSETS	18	<u><u>2,585,836</u></u>	<u><u>2,554,037</u></u>

The notes on pages 10 to 18 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)

As at 30 September 2014 - unaudited

	Note	As at end of Current Quarter 30/09/2014 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2013 RM'000
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Share capital		390,711	390,711
Reserves		<u>1,103,787</u>	<u>1,051,120</u>
Equity attributable to owners of the Company		1,494,498	1,441,831
Non-controlling interests		<u>336,108</u>	<u>323,402</u>
Total Equity		<u>1,830,606</u>	<u>1,765,233</u>
Non-Current Liabilities			
Long term borrowings	22	318,718	321,344
Deferred tax liabilities		3,347	3,373
Provision for retirement benefits		<u>1,748</u>	<u>2,436</u>
Total Non-Current Liabilities		<u>323,813</u>	<u>327,153</u>
Current Liabilities			
Provision for liabilities		5,896	5,310
Short term borrowings	22	129,623	156,842
Trade & other payables and accrued expenses		292,816	295,556
Amount owing to holding company		97	191
Tax liabilities		<u>2,985</u>	<u>3,752</u>
Total Current Liabilities		<u>431,417</u>	<u>461,651</u>
Total Liabilities	18	<u>755,230</u>	<u>788,804</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,585,836</u></u>	<u><u>2,554,037</u></u>
Net assets per share (RM)		3.83	3.69

The notes on pages 10 to 18 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the nine months ended 30 September 2014 - unaudited

Note	Share capital RM'000	/----- Non-distributable -----/					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 premium RM'000	Warrants reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Hedging reserve RM'000				
9 months ended 30 September 2013										
At 1 January 2013	390,637	294	44,630	417	711	(1,280)	903,548	1,338,957	221,064	1,560,021
Dividends distributed to owners of the Company	--	--	--	--	--	--	(35,160)	(35,160)	--	(35,160)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--	--	(6,036)	(6,036)
Partial disposal of shares in a subsidiary to a non-controlling interest	--	--	--	--	--	--	68,024	68,024	15,240	83,264
Realisation of post-acquisition reserves	--	--	--	--	--	--	(68,901)	(68,901)	68,901	--
Profit for the period	--	--	--	--	--	--	105,031	105,031	29,799	134,830
Other comprehensive income for the period	--	--	--	(417)	(30)	1,799	417	1,769	224	1,993
Issue of shares:										
Exercise of warrants	74	206	(45)	--	--	--	--	235	--	235
Warrants exercised in a subsidiary	--	--	--	--	--	--	--	--	5	5
At 30 September 2013	<u>390,711</u>	<u>500</u>	<u>44,585</u>	<u>--</u>	<u>681</u>	<u>519</u>	<u>972,959</u>	<u>1,409,955</u>	<u>329,197</u>	<u>1,739,152</u>
9 months ended 30 September 2014										
At 1 January 2014	390,711	500	44,585	--	681	(267)	1,005,621	1,441,831	323,402	1,765,233
Dividends distributed to owners of the Company	--	--	--	--	--	--	--	--	--	--
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--	--	--	--
Profit for the period	--	--	--	--	--	--	80,151	80,151	26,046	106,197
Other comprehensive income/(loss) for the period	--	--	--	--	--	(135)	--	(135)	(20)	(155)
Issue of shares:										
Exercise of warrants	--	--	--	--	--	--	(27,350)	(27,350)	(13,347)	(40,697)
Warrants exercised in a subsidiary	--	--	--	--	--	--	--	--	28	28
At 30 September 2014	<u>390,711</u>	<u>500</u>	<u>44,585</u>	<u>--</u>	<u>681</u>	<u>(402)</u>	<u>1,058,422</u>	<u>1,494,497</u>	<u>336,109</u>	<u>1,830,606</u>

The notes on pages 10 to 18 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended 30 September 2014 - unaudited

	2014 9 months ended 30/09/2014 Note RM'000	2013 9 months ended 30/09/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	106,197	134,830
Adjustments for :		
Income tax expense	13,361	14,370
Share of results of associates	(87,691)	(112,515)
Depreciation and amortisation	23,072	17,985
Other Non-cash items	34	75
Non-operating items	<u>8,775</u>	<u>12,961</u>
Operating profit before working capital changes	63,748	67,706
Changes in working capital		
Decrease / (Increase) in trade & other receivables	45,109	10,325
Decrease / (Increase) in inventories	31,589	133,785
(Decrease) / Increase in trade & other payables	(2,741)	(66,485)
Net changes in other current assets & liabilities	(186)	(2,459)
Income tax refunded	10,240	593
Income tax paid	<u>(27,164)</u>	<u>(21,670)</u>
Net cash from operating activities	<u>120,595</u>	<u>121,795</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from associates	50,696	45,535
Interest income	6,808	6,149
Purchase of property, plant & equipment	(29,423)	(92,232)
Additions to investment property	(5,918)	--
Additions to development expenditure	(690)	(979)
Additions to property development costs	(40,901)	(20,163)
Proceeds from disposal of partial equity interest in a subsidiary	--	83,264
Other investment	<u>--</u>	<u>417</u>
Net cash (used in) / from investing activities	<u>(19,428)</u>	<u>21,991</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(27,350)	(35,160)
Dividends paid to minorities of a subsidiary	(13,347)	(6,036)
Proceeds from exercise of warrants	--	235
Proceeds from issue of shares in a subsidiary to minorities	27	5
Finance costs	(15,565)	(17,838)
Bank borrowings	<u>(31,092)</u>	<u>(37,030)</u>
Net cash used in financing activities	<u>(87,327)</u>	<u>(95,824)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,840	47,962
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>323,759</u>	<u>290,334</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u>337,599</u>	<u>338,296</u>
Cash and cash equivalents comprise :		
Cash and bank balances	23 339,594	341,605
Bank overdrafts	<u>(1,995)</u>	<u>(3,309)</u>
	<u>337,599</u>	<u>338,296</u>

The notes on pages 10 to 18 are an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated interim financial statements

MBM Resources Berhad ("MBMR") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements of the Group as at and for the nine months ended 30 September 2014 consist of the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

These condensed consolidated interim financial statements were approved by the Board of Directors on 18 November 2014.

1. Basis of preparation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia and comply with applicable disclosure provisions under Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS134: Interim Financial Reporting.

The supplementary information set out in Note 26, which is not part of the financial statements, is disclosed in accordance to Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013.

2. Significant accounting policies

The basis of accounting, basis of consolidation, the accounting policies and method of computation applied by the Group in these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2013.

3. Estimates

In preparing the condensed interim financial statements, the critical judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those applied in the financial statements as at and for the year ended 31 December 2013.

4. 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 2013 was not qualified.

5. Seasonal and cyclical factors

The main activities of the Group are in motor trading and manufacturing of automotive components and are therefore dependent on the economy of the country.

6. Exceptional items

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

7. Dividends paid

A first interim tax exempted (single tier) dividend of 4 sen per share on 390,710,753 ordinary shares amounting to RM15,628,430 in respect of financial year ended 31 December 2014 was paid on 19 Spetember 2014.

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

8. 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 .

The movements in the issued and paid-up share capital of the Company arising from the conversion of warrants into ordinary shares during the period were as follows:

Ordinary shares	Par value RM	Period ended 30/09/2014	
		Number of shares '000	Share Capital RM'000
As at 1 January 2014	1.00	390,711	390,711
Conversion of warrants	1.00	-	-
As at 30 September 2014	1.00	<u>390,711</u>	<u>390,711</u>

The warrants are listed on the Main Market of Bursa Malaysia Securities Berhad and are exercisable at any time within a period of five years commencing from 15 June 2012 to 14 June 2017.

Total issued	:	73,165,836
Exercised during the period	:	Nil
Exercise price	:	RM3.20 per warrant

9. Subsequent material events

There were no material event or transaction during the period from 30 September 2014 to the date of this announcement which affects substantially the results of the operations of the Group and of the Company for the quarter ended 30 September 2014 in respect of which this announcement is made.

10. Changes in composition of the Group

Incorporation of new subsidiary- Menara MBMR Holdings Sdn Bhd ("MMHSB")

MMHSB was incorporated on 20 August 2014. The principal activity of MMHSB is property management and maintenance of Menara MBMR. The eventual issued and paid-up capital of MMHSB will be RM1,000,000 (1,000,000 ordinary shares of RM1 each), with shareholdings as follow:

Shareholders	Number of Ordinary Shares currently held	Number of New Ordinary Shares to be issued	Total Number of Ordinary Shares	Percentage of Shareholding (%)
MBM Resources Bhd	70,000	630,000	700,000	70%
Teknikhas Holdings Sdn. Bhd.	20,000	180,000	200,000	20%
Meridien Residence Sdn. Bhd.	10,000	90,000	100,000	10%

11. Significant related party transactions

During the period ended 30 September 2014, the Group and the Company had the following transactions with related parties :

	Period ended 30/09/2014 RM'000
<u>Group</u>	
Purchases from a subsidiary of Perodua	695,613
Sales to subsidiaries of Perodua	74,648
Purchases from Toyota Tsusho Co. and/or its subsidiaries and associates	8,566
Purchases from affiliated companies of Autoliv AB Sweden	47,886
Sales to affiliated companies of Autoliv AB Sweden	1,524
Central Motor Wheels Co, a minority shareholder:	
Royalty fee payable	598
	<u> </u>
<u>Company</u>	
Management fees from:	
- subsidiaries	108
	<u> </u>

* Includes all subsidiaries and associates of Daihatsu Motor Co., Ltd. other than the subsidiaries of the Company.

12. 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 2014 is as follows :

	<u>RM'000</u>
Approved and contracted for	6,874
Approved and not contracted for	<u>32,000</u>

13. Review of Group performance

The review of performance by operations is furnished in the Main Section on pages 1 to 3 of the announcement.

14. Current year prospects

The overview of current year prospects is furnished in the Main Section on pages 1 to 3 of the announcement.

15. Variance from profit forecast or profit guarantee

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

16. Unquoted investments and properties

There was no sale of unquoted investments and /or properties for the current quarter under review and financial period to date.

17. Quoted investments

There was no sale of quoted investments for the current quarter under review.

18. Operating segments

The Group's reportable segments offer different products and services and are managed separately due to different trading nature and marketing strategies. Most of the businesses were acquired as individual units and the management at the time of acquisition remained.

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

- (i) Motor vehicles : Marketing and distribution of motor vehicles, spare parts and provision of related services.
- (ii) Automotive Components : Manufacturing of automotive parts and components, steel and alloy wheels and discs, seat belts, car airbag modules, noise, vibration and harshness ("NVH") products and provision of tyre assembly services
- (iii) All others : Investment holding, corporate headquarters and other dormant companies.

(Continued next page)

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

18. Operating segments (cont'd)

Period ended 30 September 2014

	Motor Trading	Automotive Components	All others	Group
	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	1,242,571	315,307	--	1,557,878
Operating profits/(loss) for reportable segments	10,514	35,982	(5,872)	40,624
Share of results of associates	86,710	981	--	87,691
Interest income	1,533	2,836	2,439	6,808
Finance costs	(2,348)	(2,418)	(10,799)	(15,565)
Depreciation and amortisation	7,538	15,416	118	23,072
Other significant non-cash items				
- Provisions	184	--	--	184
Capital expenditure	6,880	22,916	5,545	35,341
Segment assets	637,520	487,264	532,651	1,657,435
Investment in associates	883,014	45,387	--	928,401
Segment liabilities	157,714	163,789	433,727	755,230

Period ended 30 September 2013

	Motor Trading	Auto Parts Manufacturing	All others	Group
	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	1,444,117	288,567	180	1,732,864
Operating profits/(loss) for reportable segments	10,200	43,280	(5,106)	48,374
Share of results of associates	109,337	3,178	--	112,515
Interest income	1,538	2,562	2,049	6,149
Finance costs	(3,287)	(1,094)	(13,457)	(17,838)
Depreciation and amortisation	6,460	11,280	245	17,985
Other significant non-cash items				
- Provisions	558	--	--	558
Capital expenditure	25,125	27,191	39,916	92,232
Segment assets	696,223	456,116	483,323	1,635,662
Investment in associates	841,276	45,157	--	886,433
Segment liabilities	241,552	148,169	393,221	782,942

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

18. Operating segments (cont'd)

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

	Period ended 30/09/2014 RM'000	Period ended 30/09/2013 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	1,557,878	1,732,684
All others	--	180
	<hr/>	<hr/>
Revenue, as reported	<u>1,557,878</u>	<u>1,732,864</u>
<u>Profit or loss</u>		
Total profit for Group's reportable segments, including finance costs and interest income	46,099	53,199
All others	(14,232)	(16,514)
Share of results of associates	87,691	112,515
	<hr/>	<hr/>
Profit before tax, as reported	<u>119,558</u>	<u>149,200</u>
<u>Assets</u>		
Total assets for Group's reportable segments	1,124,784	1,152,339
All others	532,651	483,323
Investment in associates	928,401	886,433
	<hr/>	<hr/>
Total assets, as reported	<u>2,585,836</u>	<u>2,522,095</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	321,503	389,721
All others	433,727	393,221
	<hr/>	<hr/>
Total liabilities, as reported	<u>755,230</u>	<u>782,942</u>

The accounting policies and method of computation of the operating segments are consistent with those described in the summary of significant accounting policies in the recent audited financial statement for the year ended 31 December 2013. The Group evaluates performance of these operating segments based on their respective profit or loss.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at arm's length transactions.

The commentary on segment results is furnished in the Main Section on pages 2 of the announcement.

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

19. Income tax expense

	Current Quarter 30/09/2014 RM'000	Year to date 30/09/2014 RM'000
Current year's provision	4,006	13,361
Add :		
Under/(Over) provision in prior years	--	--
	4,006	13,361
Deferred taxation	--	--
Income tax expense	<u>4,006</u>	<u>13,361</u>

A reconciliation of the statutory income tax rate at 25% to the effective income tax rate of the Group for the current quarter and for the year-to-date are as follows :

	Current Quarter 30/09/2014 %	Year to date 30/09/2014 %
Statutory income tax rate in Malaysia	25.0	25.0
Adjustment for tax applicable to share of results in associates	(20.0)	(18.3)
Expenses not deductible for tax purpose / (Income not subject to tax)	6.1	4.5
	<u>11.1</u>	<u>11.2</u>

20. Earnings per ordinary share (EPS)

	Quarter		Year to date	
	3 months ended 30/09/2014	30/09/2013	9 months ended 30/09/2014	30/09/2013
Basic earnings per ordinary share				
Profit attributable to ordinary shareholders (RM'000)	25,493	35,124	80,151	105,031
Weighted average number of ordinary shares ('000)	390,711	390,711	390,711	390,711
Bonus issue	--	-	--	--
Effect of exercise of rights issue #	--	-	--	--
	<u>390,711</u>	<u>390,711</u>	<u>390,711</u>	<u>390,711</u>
Basic earnings per share (sen)	6.52	8.99	20.51	26.88

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

20. Earnings per ordinary share (EPS) (cont'd)

	Quarter 3 months ended		Year to date 9 months ended	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Diluted earnings per ordinary share				
Profit attributable to ordinary shareholders (RM'000)	25,493	35,124	80,151	105,031
Adjusted weighted average number of ordinary shares in issue and issuable	390,863	402,733	390,863	402,733
Diluted earnings per share (sen)	6.52	8.72	20.51	26.08

	No of ordinary shares of RM1.00 each	
	30/09/2014	30/09/2013
Weighted average number of ordinary shares	390,710,753	390,710,753
Adjustment for assumed exercise of warrants	151,955	12,022,676
Adjusted weighted average number of ordinary shares in issue and issuable	390,862,708	402,733,429

21. Corporate proposals

There were no corporate proposals made or undertaken by the Group and the Company during the current quarter.

22. Loans and Borrowings

	Short Term Borrowings RM'000	Long Term Borrowings RM'000
Denominated in Malaysian Currency (RM)		
Secured	129,623	318,718
Unsecured	--	--
Total	129,623	318,718

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

23. Cash and Cash Equivalents

	The Group As at	
	30/09/2014 RM'000	30/09/2013 RM'000
Cash on hand and at at banks	107,007	75,367
Deposits with licensed banks	<u>232,587</u>	<u>266,238</u>
Cash and bank balances	339,594	341,605
Less : Bank overdrafts	(1,995)	(3,309)
	<u>337,599</u>	<u>338,296</u>
Cash and bank balances	339,594	341,605
Less :		
Total borrowings*	(448,341)	(517,436)
	<u>337,599</u>	<u>338,296</u>
Net cash position (after total borrowings)	<u>(108,747)</u>	<u>(175,831)</u>

(Note * Total borrowings include hire-purchase payables)

24. Off balance sheet financial instruments

The Group does not have any other financial instruments which are not within the scope of MFRS 139 with off balance sheet risk as at 10 November 2014, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

25. Supplementary information

The following information are provided pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Securities Berhad Listing Requirements to disclose the breakdown of the unappropriated profits or accumulated losses of the Group and of the Company as of 30 September 2014 into realised and unrealised profits or losses.

	30/09/2014	
	The Group RM'000	The Company RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	715,630	238,812
Unrealised	(2,094)	(2,095)
Total retained earnings from the associates		
Realised	748,637	--
Unrealised	(22,509)	--
Less : Consolidation adjustments	<u>(381,242)</u>	<u>--</u>
Total retained earnings as per statement of financial position	<u>1,058,422</u>	<u>236,717</u>

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

26. Material litigations

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

27. Contingent liabilities

As at the date of issue of this quarterly report, the Group is contingently liable to financial institutions under corporate guarantees given to financial institutions for credit facilities granted to certain subsidiaries. The credit facilities obtained by the subsidiaries, which are secured by such guarantees, amount to RM477,646,000. Save for the foregoing, our Group does not have other contingent liabilities which upon becoming due or becoming enforceable, may have a material impact on the results on our Group's financial position.

28. Dividend

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

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

**WONG PEIR CHYUN
COMPANY SECRETARY
KUALA LUMPUR
DATED : 18 November 2014**

For further information, please contact Mr. Darren Kong, Group Financial Controller at Tel : 603-22876803
Our Quarterly Announcement for the third quarter ended 30 September 2014 can be downloaded from the internet at www.bursamalaysia.com or www.mbmr.com.my