



**QUARTERLY ANNOUNCEMENT**  
**For the third quarter ended 30 September 2015**

**Summary**

- Group's revenue contracted 2.8% due to lower sales of continental makes of higher value, despite better overall volume sales
- Auto parts manufacturing revenue improved as a result of higher demand from major car makers. Losses from OMI Alloy narrowed
- Adverse foreign currency movement affected share of results from joint venture and associates
- Profit before tax declined 55.4% mainly due to lower contributions from joint venture and associates

**Results**

	Quarter ended 30 Sep			Year to date ended 30 Sep		
	2015	2014 (Restated)	Change	2015	2014 (Restated)	Change
	RM mil	RM mil	%	RM mil	RM mil	%
Revenue	411.2	423.1	(2.8)	1,377.3	1,362.6	1.1
<i>On going business</i>	411.2	423.1	(2.8)	1,237.6	1,362.6	(9.2)
<i>One-off property contribution</i>	--	--	-	139.7	--	>100.0
Profit before tax	12.5	27.9	(55.4)	111.6	92.4	20.7
<i>On going business</i>	12.5	27.9	(55.4)	78.4	92.4	(15.2)
<i>One-off property contribution</i>	--	--	-	33.2	(0.2)	>100.0
Profit for the period	11.3	28.2	(60.0)	93.8	89.5	4.9
Profit attributable to owners of the Company	8.6	26.0	(66.8)	73.0	80.7	(9.5)
	Sen	Sen		Sen	Sen	
Basic earnings per share	2.2	6.7	(66.8)	18.7	20.7	(9.5)
	As at 30 Sep 2015 RM mil	As at 31 Dec 2014 RM mil				
Equity attributable to owners of the Company	1,590.3	1,522.3	4.5			
	RM	RM				
Net assets per share	4.07	3.90	4.5			
	1st Interim 2015 Sen	1st Interim 2014 Sen		YTD 2015 Sen	YTD 2014 Sen	
Dividend per share	4.0	4.0	--	4.0	4.0	--

**Performance of sales by operations**

	Q3'15 vs Q2'15	Q3'15 vs Q3'14	YTD Sep'15 vs YTD Sep'14
<b>Total Industry Volume (TIV) **</b>	+ 6.1	+ 2.5	- 1.4
<b>Total Industry Production (TIP) **</b>	- 17.2	+ 1.1	+ 2.5
<b>Total Group's Vehicles Sales</b>	+ 5.0	+ 15.1	+ 6.6
<b>Subsidiaries</b>			
DMSB - Daihatsu & Hino trucks	- 4.9	- 34.0	- 25.0
DMMS Perodua vehicles	+ 2.0	+ 25.0	+ 16.0
Federal Auto : Volvo, Volkswagen & Mitsubishi vehicles	+ 46.3	- 17.5	- 28.9
HASB	- 6.2	+ 0.1	- 3.7
OMI	- 7.5	+ 29.3	+ 10.3
Service throughputs	+ 3.1	- 5.3	- 0.7
<b>Joint Venture</b>			
AHSB	- 6.4	- 10.9	- 10.2
<b>Associated companies</b>			
Perodua vehicles	- 19.9	+ 11.9	+ 15.3
Hino trucks and buses	- 41.0	- 37.9	- 31.1

**Legend**

DMSB : Daihatsu (Malaysia) Sdn Bhd  
DMMS : DMM Sales Sdn Bhd  
HASB : Hirotako Acoustic Sdn Bhd  
OMI : Oriental Metal Industries (M) Sdn Bhd  
AHSB : Autoliv Hirotako Sdn Bhd

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

\*\* Source : Malaysian Automotive Association (MAA) 2015 and 2014

**QUARTERLY ANNOUNCEMENT**  
**For the third quarter ended 30 September 2015**

**Group Financial Performance**

**Third quarter ended 30 September 2015 compared with third quarter ended 30 September 2014**

	Revenue			Profit before tax		
	Quarter ended 30-Sep-15 RM'000	Quarter ended 30-Sep-14 RM'000	Change %	Quarter ended 30-Sep-15 RM'000	Quarter ended 30-Sep-14 RM'000	Change %
Consolidated Total	411,184	423,086	(2.8)	12,454	27,924	(55.4)
<u>Business segments:</u>						
Motor Trading	368,505	388,588	(5.2)	4,161	3,811	9.2
Auto Parts Manufacturing	42,649	34,498	23.6	(3,134)	(4,999)	37.3
Share of results of a joint venture				2,663	4,370	(39.1)
Share of results of associates				13,182	28,865	(54.3)
Others	30	--		(4,418)	(4,123)	(7.2)

**Group**

The Group's revenue declined by 2.9% to RM411.2 million. Profit before tax declined 55.4% to RM12.5 million. Share of results of joint venture fell by 39.1% to RM2.7 million, whilst share of results of associate companies declined by 54.3% to RM13.2 million.

The share of the joint venture's results declined 39.1% due to lower production deliveries to one of its major customers as well as unfavourable foreign exchange movement.

Associates' results were lower by 54.3% to RM13.2 million mainly due to adverse foreign exchange movement, despite higher vehicle sales by Perodua.

The Group's gross debt to equity ratio as at 30 September 2015 was 21.4% compared with 25.7% as at the end of the same period last year.

Net assets per share rose to RM4.07 as at the end of 30 September 2015.

**Motor Trading**

The lower revenues of the motor trading division by 5.2% was mainly due to lower sales of continental makes and commercial vehicles because of the challenging economic conditions and aggressive market competition. This was offset by higher deliveries of Axia from Perodua. However as a result of lower operating and finance costs, profit before tax was better by 9.2%.

**Auto Parts Manufacturing**

Auto parts manufacturing division's revenue improved by 23.6% on the back of higher demand by Perodua. Production deliveries from OMI Alloy increased which narrowed its operating losses for the current quarter.

**QUARTERLY ANNOUNCEMENT**  
**For the third quarter ended 30 September 2015**

**Third quarter ended 30 September 2015 against previous quarter ended 30 June 2015**

	Revenue			Profit before tax		
	Quarter ended 30-Sep-15 RM'000	Quarter ended 30-Jun-15 RM'000	Change %	Quarter ended 30-Sep-15 RM'000	Quarter ended 30-Jun-15 RM'000	Change %
Consolidated Total	411,184	374,413	9.8	12,454	33,930	(63.3)
<u>Business segments:</u>						
Motor Trading	368,505	328,254	12.3	4,161	3,690	12.8
Auto Parts Manufacturing	42,649	45,987	(7.3)	(3,134)	(3,875)	19.1
Share of results of a joint venture				2,663	4,716	(43.5)
Share of associates' results				13,182	35,427	(62.8)
Others	30	172		(4,418)	(6,028)	26.7

**Group**

The Group's revenue improved 9.8%, mainly due to higher revenues from motor trading by 12.3%. Profit before tax declined by 63.3%, as a result of lower share of results from joint venture and associates by 43.5% and 62.8% respectively despite better contributions from motor trading.

**Motor Trading**

Revenues and profit from motor trading improved by 12.3% and 12.8% respectively due to higher vehicle sales and higher service throughputs in conjunction with the Raya promotions.

**Auto Parts Manufacturing**

Revenues declined 7.3% mainly due to lower production from the shorter working month of July 2015.

**PROSPECTS**

The current market condition is expected to remain challenging.

Market competition remains intense as market players are expected to continue their aggressive sales campaigns to stay competitive and maintain market share.

The further weakening of the Ringgit will affect margins and operating costs for the Group as well as joint venture and associates.

The Group is leveraging on sales campaigns by the brand principals to push for vehicle sales and improving aftersales revenue. The Group is also preparing for higher production of alloy wheels to meet newly secured orders from customers.

The Group will continue to focus on its cost and working capital management.

**Board of Directors**  
**MBM Resources Berhad**  
**18 November 2015**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**For the nine months ended 30 September 2015 - unaudited**

		(Unaudited) (Restated)		(Unaudited) (Restated)
	Current Quarter Ended 30/09/2015 RM'000	Comparative Quarter Ended 30/09/2014 RM'000	9 months Cumulative To Date 30/09/2015 RM'000	Comparative 9 months Cumulative To Date 30/09/2014 RM'000
Note				
Revenue	18	411,184	423,086	1,377,338
Cost of sales		<u>(381,273)</u>	<u>(395,164)</u>	<u>(1,254,630)</u>
Gross profit		29,911	27,922	122,708
Other income		6,036	7,627	20,451
Administrative and other expenses		(21,122)	(21,289)	(65,682)
Selling and marketing expenses		(15,148)	(16,398)	(50,470)
Finance costs		(5,013)	(5,096)	(15,565)
Interest income		1,945	1,923	4,791
Share of results of a joint venture, net of tax		2,663	4,370	11,909
Share of results of associates, net of tax		<u>13,182</u>	<u>28,865</u>	<u>78,370</u>
<b>Profit before tax</b>	18	12,454	27,924	111,565
Income tax expense	19	<u>(1,168)</u>	<u>263</u>	<u>(17,749)</u>
<b>Profit for the period</b>		<u>11,286</u>	<u>28,187</u>	<u>93,816</u>
<b>Profit attributable to:</b>				
Owners of the Company		8,623	26,007	72,989
Non-controlling interests		<u>2,663</u>	<u>2,180</u>	<u>20,827</u>
<b>Profit for the period</b>		<u>11,286</u>	<u>28,187</u>	<u>93,816</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 2015 - unaudited**

	Note	Current Quarter Ended 30/09/2015 RM'000	(Unaudited) (Restated) Comparative Quarter Ended 30/09/2014 RM'000	9 months Cumulative To Date 30/09/2015 RM'000	(Unaudited) (Restated) Comparative 9 months Cumulative To Date 30/09/2014 RM'000
<b>Profit for the period</b>		11,286	28,187	93,816	89,452
<b>Other comprehensive (loss)/income, net of tax</b>					
<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		--	--	--	--
Net gain/(loss) on cash flow hedges of an associate		--	(446)	--	(155)
Share of foreign exchange reserve deficit in an associate		(245)	--	227	--
<b>Other comprehensive income for the period, net of tax</b>		(245)	(446)	227	(155)
<b>Total comprehensive income for the period</b>		<u>11,041</u>	<u>27,741</u>	<u>94,043</u>	<u>89,297</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		8,408	25,604	73,196	80,537
Non-controlling interests		2,633	2,137	20,847	8,760
<b>Total comprehensive income for the period</b>		<u>11,041</u>	<u>27,741</u>	<u>94,043</u>	<u>89,297</u>
<b>Earnings per ordinary share</b>		sen	sen	sen	sen
Basic	20	2.21	6.66	18.68	20.65
Diluted	20	2.21	6.65	18.68	20.64

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As at 30 September 2015 - unaudited**

	Note	As at end of Current Quarter 30/09/2015 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2014 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment		347,895	336,534
Investment properties		102,893	39,768
Prepaid land lease payments		38,051	38,426
Investment in a joint venture		145,447	148,839
Investment in associates		980,167	950,719
Other investment		--	--
Deferred tax assets		3,685	3,512
Intangible assets		--	--
Goodwill on consolidation		184,407	184,407
Total Non-Current Assets		<u>1,802,545</u>	<u>1,702,205</u>
<b>Current Assets</b>			
Other investments		--	1,000
Property development costs		--	141,733
Inventories		245,995	182,534
Trade & other receivables and prepaid expenses		177,325	164,523
Amount owing by associates		32	20
Tax recoverable		13,053	11,108
Cash and bank balances		222,574	216,979
Deferred tax assets		--	8,881
Total Current Assets		<u>658,979</u>	<u>726,778</u>
<b>TOTAL ASSETS</b>	18	<u><b>2,461,524</b></u>	<u><b>2,428,983</b></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 2015 - unaudited**

	Note	As at end of Current Quarter 30/09/2015 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2014 RM'000
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Capital and Reserves</b>			
Share capital		390,711	390,711
Reserves		1,199,579	1,131,626
Equity attributable to owners of the Company		1,590,290	1,522,337
Non-controlling interests		270,455	253,025
Total Equity		1,860,745	1,775,362
<b>Non-Current Liabilities</b>			
Long term borrowings	22	288,556	302,471
Deferred tax liabilities		3,834	3,834
Provision for retirement benefits		3,147	3,001
Hire purchase payables - non-current portion		--	--
Total Non-Current Liabilities		295,537	309,306
<b>Current Liabilities</b>			
Provision for liabilities		728	268
Short term borrowings	22	108,847	113,559
Trade & other payables and accrued expenses		193,430	229,728
Amount owing to holding company		--	220
Hire purchase payables - current portion		--	--
Tax liabilities		2,237	540
Total Current Liabilities		305,242	344,315
Total Liabilities	18	600,779	653,621
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,461,524</b>	<b>2,428,983</b>
<b>Net assets per share (RM)</b>		<b>4.07</b>	<b>3.90</b>

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 2015 - unaudited**

Note	Share capital RM'000	/----- Share premium RM'000	Warrants reserve RM'000	Non-distributable Fair value reserve RM'000	-----/ Revaluation reserve RM'000	Hedging reserve RM'000	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
<b>9 months ended 30 September 2014</b>										
<b>At 1 January 2014</b>										
As previously stated	390,711	500	44,585	--	681	(267)	1,005,621	1,441,831	323,402	1,765,233
Effects of application of MFRS 10 and MFRS 11	--	--	--	--	--	--	(3,466)	(3,466)	(73,721)	(77,187)
<b>At 1 January 2014 - restated</b>	<b>390,711</b>	<b>500</b>	<b>44,585</b>	<b>--</b>	<b>681</b>	<b>(267)</b>	<b>1,002,155</b>	<b>1,438,365</b>	<b>249,681</b>	<b>1,688,046</b>
Dividends distributed to owners of the Company	--	--	--	--	--	--	(27,350)	(27,350)	--	(27,350)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--	--	(3,547)	(3,547)
Profit for the period - restated	--	--	--	--	--	--	80,672	80,672	8,780	89,452
Other comprehensive income for the period	--	--	--	--	--	(135)	--	(135)	(20)	(155)
Issue of shares:										
Exercise of warrants	--	--	--	--	--	--	--	--	--	--
Warrants exercised in a subsidiary	--	--	--	--	--	--	--	--	28	28
<b>At 30 September 2014 - restated</b>	<b>390,711</b>	<b>500</b>	<b>44,585</b>	<b>--</b>	<b>681</b>	<b>(402)</b>	<b>1,055,477</b>	<b>1,491,552</b>	<b>254,922</b>	<b>1,746,474</b>
<b>9 months ended 30 September 2015</b>										
<b>At 1 January 2015</b>										
Fair value of investment properties	--	--	--	--	37,735	--	--	37,735	--	37,735
Dividends distributed to owners of the Company	--	--	--	--	--	--	(42,978)	(42,978)	--	(42,978)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--	--	(3,143)	(3,143)
Profit for the period	--	--	--	--	--	--	72,989	72,989	20,827	93,816
Other comprehensive income/(loss) for the period	--	--	--	--	--	207	--	207	20	227
Other adjustments	--	--	--	--	--	--	--	--	(274)	(274)
Issue of shares:										
Exercise of warrants	--	--	--	--	--	--	--	--	--	--
Warrants exercised in a subsidiary	--	--	--	--	--	--	--	--	--	--
<b>At 30 September 2015</b>	<b>390,711</b>	<b>500</b>	<b>44,585</b>	<b>--</b>	<b>38,416</b>	<b>181</b>	<b>1,115,897</b>	<b>1,590,290</b>	<b>270,455</b>	<b>1,860,745</b>

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 2015 - unaudited**

		(Restated)
	2015	2014
	9 months ended	9 months ended
	30/09/2015	30/09/2014
Note	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	93,816	89,452
Adjustments for :		
Income tax expense	17,749	2,970
Share of results of associates	(78,370)	(87,912)
Share of results of jointly controlled entity	(11,909)	(17,971)
Depreciation and amortisation	17,346	16,350
Other Non-cash items	--	30
Non-operating items	10,828	11,075
Operating profit before working capital changes	49,460	13,994
Changes in working capital		
Decrease / (Increase)in trade & other receivables	79,242	27,702
(Increase) / Decrease in inventories	(63,462)	31,261
Decrease in trade & other payables	(36,015)	6,582
Net changes in other current assets & liabilities	362	(263)
Income tax refunded	950	10,240
Income tax paid	(9,120)	(14,584)
Net cash from operating activities	<u>21,417</u>	<u>74,932</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received from associates	49,149	51,580
Dividends received from jointly controlled entity	15,300	10,200
Interest income	4,791	4,490
Purchase of property, plant & equipment	(13,268)	(24,329)
Additions to investment property	--	(5,918)
Additions to property development costs	--	(40,901)
Proceeds from disposal of other investment	373	--
Net cash from/(used in) investing activities	<u>56,345</u>	<u>(4,878)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(42,978)	(27,350)
Dividends paid to minorities of a subsidiary	(3,143)	(3,547)
Proceeds from exercise of warrants	--	--
Proceeds from issue of shares in a subsidiary to minorities	12	28
Proceeds from rights issue with warrants	--	--
Finance costs	(15,565)	(15,565)
Bank borrowings	(13,852)	(31,092)
Net cash used in financing activities	<u>(75,526)</u>	<u>(77,526)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,236	(7,472)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<u>217,606</u>	<u>241,343</u>
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<u>219,842</u>	<u>233,871</u>
Cash and cash equivalents comprise :		
Cash and bank balances	23	222,574
Bank overdrafts	--	(2,732)
	<u>219,842</u>	<u>233,871</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 2015 consist of the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in jointly venture and associates.

These condensed consolidated interim financial statements were approved by the Board of Directors on 18 November 2015.

### **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 25, 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 2014.

### **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 2014.

### **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 2014.

### **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 2014 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 4.0 sen per share on 390,710,753 ordinary shares amounting to RM15,628,430 for the year ending 31 December 2015 and a special dividend of 3.0 sen per share tax exempted (single tier dividend) amounting to RM11,721,323 was paid on 18 September 2015.

**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:

	Par value RM	Period ended 30/09/2015	
		Number of shares '000	Share Capital RM'000
Ordinary shares			
As at 1 January 2015	1.00	390,711	390,711
Conversion of warrants	1.00	-	-
As at 30 September 2015	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 events or transaction during the period from 30 September 2015 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 2015 in respect of which this announcement is made.

**10. Changes in composition of the Group**

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

On 8 July 2015, the Group announced the winding up of Hirotako Kien Hing Sdn. Bhd. and Duralux Sdn. Bhd., both of which are wholly-owned subsidiary of Hirotako Holdings Berhad, by way of special resolution pursuant to Section 254 of the Companies Act 1965. The winding up has yet been completed as of 30 September 2015.

**11. Significant related party transactions**

During the period ended 30 September 2015, the Group and the Company had the following transactions with related parties :

	Period ended 30/09/2015 RM'000
<b><u>Group</u></b>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	817,781
Sales to a subsidiary of Perodua	(944)
Sales to an associate of Perodua	(81,615)
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	26,144
Purchases from Toyota Tsusho Co., its subsidiaries and associates	5,827
Purchases from Toyota Tsusho (Malaysia), its subsidiaries and associates	1,390
Sales to Toyota Tsusho Co., its subsidiaries and associates	(329)
Central Motor Wheels Co, a minority shareholder:	
Royalty fee payable	168
Technical fee and design fee payable	71
Development expenses	--
	<hr/>
<b><u>Company</u></b>	
Gross dividends from:	
- subsidiaries	(24,335)
- associates	(39,192)
Management fees from:	
- subsidiaries	(138)
	<hr/>

**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 2015 is as follows :

	<u>RM'000</u>
Approved and contracted for	26,191
Approved and not contracted for	18,100
	<hr/>

**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 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, noise, vibration and harshness ("NVH") products and provision of tyre assembly services
- (iii) Property development (non-core) : Development of Menara MBMR
- (iv) 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 2015**

	Motor Trading	Auto Parts Manufacturing	Property development	All others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	1,107,979	129,326	139,703	330	1,377,338
Results for reportable segments	11,756	(6,860)	33,193	(6,029)	32,060
Share of results of a jointly venture	--	11,909	--	--	11,909
Share of results of associates	78,370	--	--	--	78,370
Interest income	2,248	533	--	2,010	4,791
Finance costs	(1,424)	(2,965)	--	(11,176)	(15,565)
Profit/(loss) before tax for reportable segment	90,950	2,617	33,193	(15,195)	111,565
Depreciation and amortisation	(7,455)	(9,785)	(5)	(101)	(17,346)
Other significant non-cash items					
- Provisions	1	--	--	--	1
Capital expenditure	5,480	7,538	--	250	13,268
Segment assets	681,692	346,850	63,736	243,632	1,335,910
Jointly controlled entity	--	145,447	--	--	145,447
Investment in associates	934,625	45,542	--	--	980,167
Segment liabilities	(203,721)	(121,169)	(27,352)	(248,537)	(600,779)

**Period ended 30 September 2014 - Restated**

	Motor Trading	Auto Parts Manufacturing	Property development	All others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	1,242,571	120,048	--	--	1,362,619
Results for reportable segments	10,514	(7,028)	(192)	(5,680)	(2,386)
Share of results of a joint venture	--	17,971	--	--	17,971
Share of results of associates	86,710	1,202	--	--	87,912
Interest income	1,533	518	31	2,408	4,490
Finance costs	(2,348)	(2,418)	--	(10,799)	(15,565)
Profit/(loss) before tax for reportable segment	96,409	10,245	(161)	(14,071)	92,422
Depreciation and amortisation	(7,538)	(8,694)	(8)	(110)	(16,350)
Other significant non-cash items					
- Provisions	--	--	--	--	--
Capital expenditure	6,880	17,822	--	5,545	30,247
Segment assets	637,520	348,682	169,080	219,894	1,375,176
Jointly controlled entity	--	143,677	--	--	143,677
Investment in associates	883,014	45,387	--	--	928,401
Segment liabilities	(157,714)	(109,339)	(168,905)	(264,822)	(700,780)

**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 30/09/2015 RM'000	(Restated) Period ended 30/09/2014 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	1,377,008	1,362,619
All others	330	--
Revenue, as reported	<u>1,377,338</u>	<u>1,362,619</u>
<u>Profit or loss</u>		
Total profit for Group's reportable segments, including finance costs and interest income	36,481	610
All others	(15,195)	(14,071)
Share of results of jointly controlled entity	11,909	17,971
Share of results of associates	78,370	87,912
Profit before tax, as reported	<u>111,565</u>	<u>92,422</u>
<u>Assets</u>		
Total assets for Group's reportable segments	1,092,278	1,155,282
All others	243,632	219,894
Jointly controlled entity	145,447	143,677
Investment in associates	980,167	928,401
Total assets, as reported	<u>2,461,524</u>	<u>2,447,254</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	352,242	435,958
All others	248,537	264,822
Total liabilities, as reported	<u>600,779</u>	<u>700,780</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 2014. 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 30/09/2015 RM'000	Year to date 30/09/2015 RM'000
Current year's provision	1,168	17,749
Add : Under/(Over) provision in prior years	--	--
	1,168	17,749
Deferred taxation	--	--
Income tax expense	<u>1,168</u>	<u>17,749</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 30/09/2015 %	Year to date 30/09/2015 %
Statutory income tax rate in Malaysia	25.0	25.0
Adjustment for tax applicable to share of results in associates	(26.5)	(17.6)
Adjustment for tax applicable to share of results in jointly controlled entity	(5.3)	(2.7)
Expenses not deductible for tax purpose / (Income not subject to tax)	16.2	11.1
	<u>9.4</u>	<u>15.8</u>

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

	Quarter ended		Year to date 9 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
<b>Basic earnings per ordinary share</b>				
Profit attributable to ordinary shareholders (RM'000)	8,623	26,007	72,989	80,672
Weighted average number of ordinary shares ('000)	<u>390,711</u>	<u>390,711</u>	<u>390,711</u>	<u>390,711</u>
	<u>390,711</u>	<u>390,711</u>	<u>390,711</u>	<u>390,711</u>
Basic earnings per share (sen)	2.21	6.66	18.68	20.65

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

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

	Quarter ended		Year to date 9 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
<b>Diluted earnings per ordinary share</b>				
Profit attributable to ordinary shareholders (RM'000)	8,623	26,007	72,989	80,672
Adjusted weighted average number of ordinary shares in issue and issuable	390,711	390,863	390,711	390,863
Diluted earnings per share (sen)	2.21	6.65	18.68	20.64

	No of ordinary shares of RM1.00 each	
	30/09/2015	30/09/2014
Weighted average number of ordinary shares	390,710,753	390,710,753
Adjustment for assumed exercise of warrants	--	151,955
Adjusted weighted average number of ordinary shares in issue and issuable	390,710,753	390,862,708

**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	108,847	288,556
Unsecured	--	--
Total	<u>108,847</u>	<u>288,556</u>



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

**23. Cash and Cash Equivalents**

	The Group As at	
	30/09/2015 RM'000	30/09/2014 RM'000
Cash on hand and at at banks	74,774	74,281
Deposits with licensed banks	147,800	161,587
Cash and bank balances	222,574	235,868
Less : Bank overdrafts	(2,732)	(1,997)
Cash and cash equivalents	<u>219,842</u>	<u>233,871</u>
Cash and bank balances	222,574	235,868
Less :		
Total borrowings*	(397,403)	(448,341)
Net cash position (after total borrowings)	<u>(174,829)</u>	<u>(212,473)</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 9 November 2015, 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 2015 into realised and unrealised profits or losses.

	30/09/2015	
	The Group RM'000	The Company RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	602,305	294,185
Unrealised	5,290	(1,415)
Total retained earnings from the jointly controlled entity		
Realised	93,538	--
Unrealised	--	--
Total retained earnings from the associates		
Realised	797,289	--
Unrealised	(22,243)	--
Less : Consolidation adjustments	<u>(360,282)</u>	<u>--</u>
Total retained earnings as per statement of financial position	<u>1,115,897</u>	<u>292,770</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.

**29. Restatement of Comparatives**

The financial statements for comparative period for preceding financial year are restated to conform with MFRS 10 and MFRS 11 adjustments, consistent with the audited consolidated financial statements of the Group for the financial year ended 31 December 2014.

The effects of the restatement are shown in Appendix 1 and Appendix 2.

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

**WONG PEIR CHYUN  
COMPANY SECRETARY  
KUALA LUMPUR  
DATED : 18 NOVEMBER 2015**

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

	Note	Quarter Ended 30/09/2014			9 months Cumulative To Date 30/09/2014		
		Fully Consolidated RM'000	MFRS 10 & 11 Adjustments RM'000	Restated RM'000	(Unaudited) Fully Consolidated RM'000	MFRS 10 & 11 Adjustments RM'000	(Unaudited) Restated RM'000
Revenue	18	484,045	(60,959)	423,086	1,557,878	(195,259)	1,362,619
Cost of sales		(443,156)	47,992	(395,164)	(1,423,658)	150,801	(1,272,857)
Gross profit		40,889	(12,967)	27,922	134,220	(44,458)	89,762
Other income		8,197	(570)	7,627	25,684	(3,734)	21,950
Administrative and other expenses		(23,187)	1,898	(21,289)	(68,810)	5,182	(63,628)
Selling and marketing expenses		(16,398)	--	(16,398)	(50,470)	--	(50,470)
Finance costs		(5,096)	--	(5,096)	(15,565)	--	(15,565)
Interest income		2,835	(912)	1,923	6,808	(2,318)	4,490
Share of results of jointly controlled entity, net of tax		--	4,370	4,370	--	17,971	17,971
Share of results of associates, net of tax		28,865	--	28,865	87,912	--	87,912
<b>Profit before tax</b>	18	36,105	(8,181)	27,924	119,779	(27,357)	92,422
Income tax expense	19	(4,006)	4,269	263	(13,361)	10,391	(2,970)
<b>Profit for the period</b>		32,099	(3,912)	28,187	106,418	(16,966)	89,452
<b>Profit attributable to:</b>							
Owners of the Company		25,714	293	26,007	80,372	300	80,672
Non-controlling interests		6,385	(4,205)	2,180	26,046	(17,266)	8,780
<b>Profit for the period</b>		32,099	(3,912)	28,187	106,418	(16,966)	89,452

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)**

**Comparative for the nine months ended 30 September 2014 - unaudited**

Note	Quarter Ended 30/09/2014			9 months Cumulative To Date 30/09/2014		
	Fully Consolidated RM'000	MFRS 10 & 11 Adjustments RM'000	Restated RM'000	(Audited) Fully Consolidated RM'000	MFRS 10 & 11 Adjustments RM'000	(Unaudited) Restated RM'000
	32,099	(3,912)	28,187	106,418	(16,966)	89,452
<b>Profit for the period</b>						
<b>Other comprehensive (loss)/income, net of tax</b>						
<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	--	--	--	--	--	--
Gain on sale of available-for-sale financial assets	--	--	--	--	--	--
Net gain/(loss) on cash flow hedges of an associate	(446)	--	(446)	(155)	--	(155)
<b>Other comprehensive income for the period, net of tax</b>	(446)	--	(446)	(155)	--	(155)
<b>Total comprehensive income for the period</b>	<u>31,653</u>	<u>(3,912)</u>	<u>27,741</u>	<u>106,263</u>	<u>(16,966)</u>	<u>89,297</u>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	25,311	293	25,604	80,237	300	80,537
Non-controlling interests	6,342	(4,205)	2,137	26,026	(17,266)	8,760
<b>Total comprehensive income for the period</b>	<u>31,653</u>	<u>(3,912)</u>	<u>27,741</u>	<u>106,263</u>	<u>(16,966)</u>	<u>89,297</u>
<b>Earnings per ordinary share</b>	sen	sen	sen	sen	sen	sen
Basic	20 6.52	0.14	6.66	20.51	0.14	20.65
Diluted	20 6.52	0.13	6.65	20.51	0.13	20.64

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**Comparative as at 30 September 2014 - unaudited**

		As at end Quarter 30/09/2014		
		(Unaudited)		(Unaudited)
		Fully	MFRS 10 & 11	Restated
		Consolidated	Adjustments	RM'000
Note		RM'000	RM'000	RM'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
	Property, plant & equipment	394,164	(55,964)	338,200
	Investment properties	37,388		37,388
	Prepaid land lease payments	38,558		38,558
	Jointly controlled entity	--	143,677	143,677
	Investment in associates	928,401		928,401
	Other investment	2,200		2,200
	Deferred tax assets	2,953	(589)	2,364
	Intangible assets	4,400	(4,400)	--
	Goodwill on consolidation	227,007	(42,600)	184,407
	<b>Total Non-Current Assets</b>	<b>1,635,071</b>	<b>40,124</b>	<b>1,675,195</b>
<b>Current Assets</b>				
	Property development costs	125,479		125,479
	Inventories	250,850	(18,474)	232,376
	Trade & other receivables and prepaid expenses	212,191	(56,476)	155,715
	Amount owing by associates	--		--
	Tax recoverable	16,579		16,579
	Cash and bank balances	339,594	(103,726)	235,868
	Deferred tax assets	6,072	(30)	6,042
	<b>Total Current Assets</b>	<b>950,765</b>	<b>(178,706)</b>	<b>772,059</b>
	<b>TOTAL ASSETS</b>	<b>2,585,836</b>	<b>(138,582)</b>	<b>2,447,254</b>

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)**  
**Comparative as at 30 September 2014 - unaudited**

		As at end Quarter 30/09/2014		
		(Unaudited)		(Unaudited)
		Fully	MFRS 10 & 11	Restated
Note		Consolidated	Adjustments	RM'000
		RM'000	RM'000	RM'000
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Capital and Reserves</b>				
		390,711		390,711
		1,103,787	(2,946)	1,100,841
		1,494,498	(2,946)	1,491,552
		336,108	(81,186)	254,922
		<u>1,830,606</u>	<u>(84,132)</u>	<u>1,746,474</u>
<b>Non-Current Liabilities</b>				
	22	318,718		318,718
		3,347	(878)	2,469
		1,748		1,748
		<u>323,813</u>	<u>(878)</u>	<u>322,935</u>
<b>Current Liabilities</b>				
		5,896	(5,102)	794
	22	129,623		129,623
		292,816	(47,196)	245,620
		97		97
		2,985	(1,274)	1,711
		<u>431,417</u>	<u>(53,572)</u>	<u>377,845</u>
	18	<u>755,230</u>	<u>(54,450)</u>	<u>700,780</u>
		<b><u>2,585,836</u></b>	<b><u>(138,582)</u></b>	<b><u>2,447,254</u></b>
		<b>3.83</b>		<b>3.82</b>