



QUARTERLY ANNOUNCEMENT
For the first quarter ended 31 March 2015

Summary

- Group's revenue expanded 32.3% supported by the one-off contribution from property development
- Motor trading division performance improved on higher passenger vehicle sales and aftersales income
- Auto parts manufacturing recorded higher revenues from improved deliveries for alloy wheels. As a result, losses narrowed marginally
- Associates' contribution improved 9.0%

Results

	Quarter ended 31 Mar			Year to date ended 31 Mar		
	2015	2014	Change	2015	2014	Change
	RM mil	(Restated) RM mil	%	RM mil	(Restated) RM mil	%
Revenue	591.7	447.4	32.3	591.7	447.4	32.3
<i>On going business</i>	451.9	--	> 100.0	451.9	--	>100.0
<i>One-off property contribution</i>	139.8	--	> 100.0	139.8	--	>100.0
Profit before tax	65.2	28.0	133.1	65.2	28.0	133.1
<i>On going business</i>	31.7	28.0	13.3	31.7	28.0	13.3
<i>One-off property contribution</i>	33.5	--	> 100.0	33.5	--	>100.0
Profit for the period	50.0	26.8	86.7	50.0	26.8	86.7
Profit attributable to owners of the Company	35.1	23.4	50.0	35.1	23.4	50.0
	Sen	Sen		Sen	Sen	
Basic earnings per share	9.0	6.0	50.1	9.0	6.0	50.1
	As at 31 Mar 2015 RM mil	As at 31 Dec 2014 RM mil				
Equity attributable to owners of the Company	1,579.8	1,522.3	3.8			
	RM	RM				
Net assets per share	4.04	3.90	3.8			

Performance of sales by operations

% Changes *	Q1'15	Q1'15	YTD Mar'15
	vs Q4'14	vs Q1'14	vs YTD Mar'14
<u>Total Industry Volume (TIV) **</u>	- 3.4	+ 5.3	+ 5.3
<u>Total Industry Production (TIP) **</u>	+ 13.5	+ 6.7	+ 6.7
<u>Total Group's Vehicles Sales</u>	+ 8.4	+ 16.5	+ 16.5
<u>Subsidiaries</u>			
DMSB - Daihatsu & Hino trucks	- 11.8	- 11.8	- 11.8
DMMS Perodua vehicles	+ 7.6	+ 28.4	+ 28.4
Federal Auto : Volvo, Volkswagen & Mitsubishi vehicles	+ 32.2	- 27.8	- 27.8
HASB	+ 4.9	+ 1.0	+ 1.0
OMI	+ 1.8	+ 6.8	+ 6.8
Service throughputs	- 2.2	+ 4.3	+ 4.3
<u>Jointly Controlled Entity</u>			
AHSB	- 12.3	- 21.3	- 21.3
<u>Associated companies</u>			
Perodua vehicles	+ 12.6	+ 8.6	+ 8.6
Hino trucks and buses	- 66.3	- 63.5	- 63.5

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, AHSB and OMI which are based on sales values

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

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Group Financial Performance

First quarter ended 31 March 2015 compared with first quarter ended 31 March 2014

	Revenue			Profit before tax		
	Quarter ended 31-Mar-15 RM'000	Quarter ended 31-Mar-14 RM'000	Change %	Quarter ended 31-Mar-15 RM'000	Quarter ended 31-Mar-14 RM'000	Change %
Consolidated Total	591,741	447,359	32.3	65,181	27,965	133.1
<u>Business segments:</u>						
Motor Trading	411,220	408,870	0.6	4,729	2,620	80.5
Auto Parts Manufacturing	40,690	38,489	5.7	(2,283)	(2,503)	(8.8)
Share of results of jointly controlled entity				4,530	5,758	(21.3)
Share of results of associates				29,761	27,314	9.0
Others	139,831			28,444	(5,224)	644.5

Group

The Group's revenue improved by 32.3% to RM591.7 million. Profit before tax improved 133.1% to RM65.2 million. Share of results of jointly controlled entity fell by 21.3% to RM4.53 million, whilst share of results of associate companies improved by 9.0% to RM29.76 million.

The overall improvement in profit before tax was mainly attributable to recognition of revenues from property development (Menara MBMR) and better results from motor trading division and from associates. Manufacturing losses narrowed.

The share of the jointly controlled entity's results declined 21.3% due to price pressures from major customers.

Associates' results improved 9.0% to RM29.76 million due to better performance from the Hino plant.

The Group's gross debt to equity ratio as at 31 March 2015 was 23.6% compared with 26.4% as at the end of the same period last year.

Net assets per share rose to RM4.04 as at the end of 31 March 2015.

Motor Trading

The performance of the motor trading division was helped by higher passenger vehicle sales driven partly by pent up demand ahead of the implementation of the Goods and Services Tax (GST) and the continued buoyant demand for the new Perodua Axia.

Auto Parts Manufacturing

Auto parts manufacturing's revenue increased due to higher deliveries of products to the major car makers. As a result, losses incurred by the division narrowed, in particular to the alloy wheel plant.

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For the first quarter ended 31 March 2015

First quarter ended 31 March 2015 against previous quarter ended 31 December 2014

	Revenue			Profit before tax		
	Quarter ended 31-Mar-15 RM'000	Quarter ended 31-Dec-14 RM'000	Change %	Quarter ended 31-Mar-15 RM'000	Quarter ended 31-Dec-14 RM'000	Change %
Consolidated Total	591,741	417,707	41.7	65,181	39,711	64.1
<u>Business segments:</u>						
Motor Trading	411,220	377,949	8.8	4,729	5,319	(11.1)
Auto Parts Manufacturing	40,690	39,758	2.3	(2,283)	(2,055)	(11.1)
Share of results of jointly controlled entity				4,530	5,162	(12.2)
Share of associates' results				29,761	37,545	(20.7)
Others	139,831			28,444	(6,260)	554.4

Group

The Group's revenue improved by 41.7%, helped by the revenue recognised from property development as well as by an 8.8% and 2.3% growth in revenues from motor trading and auto parts manufacturing respectively. Profit before tax improved by 64.1%. Share of results of jointly controlled entity and share of results of associate companies declined by 12.2% and 20.7% respectively.

Motor Trading

Despite higher revenues, profit before tax from motor trading division declined by 11.1% due to lower contribution from aftersales.

Auto Parts Manufacturing

Revenues improved mainly due to higher alloy wheels delivery and tyre assembly services in line with higher demand. However, higher production costs resulted in higher losses before tax.

PROSPECTS

Uncertain economic conditions and intense market competition will pose a challenge to the motor industry.

The weaker ringgit will translate into higher operating cost, in addition to adversely affecting consumer demand.

The Group will continue to focus on cost management while growing our market share from forthcoming new models from the various brands under the Group. As volumes pick up at our alloy wheel operations, the management will continue to emphasise on improving its operational efficiency.

Board of Directors
MBM Resources Berhad
25 May 2015

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2015 - unaudited

		(Unaudited) (Restated)		(Unaudited) (Restated)
	Current Quarter Ended 31/03/2015 RM'000	Comparative Quarter Ended 31/03/2014 RM'000	3 months Cumulative To Date 31/03/2015 RM'000	Comparative 3 months Cumulative To Date 31/03/2014 RM'000
Note				
Revenue	18	591,741	447,359	591,741
Cost of sales		<u>(526,029)</u>	<u>(418,708)</u>	<u>(526,029)</u>
Gross profit		65,712	28,651	65,712
Other income		6,781	6,102	6,781
Administrative and other expenses		(20,596)	(20,215)	(20,596)
Selling and marketing expenses		(17,316)	(15,891)	(17,316)
Finance costs		(5,257)	(5,196)	(5,257)
Interest income		1,566	1,442	1,566
Share of results of jointly controlled entity, net of tax		4,530	5,758	4,530
Share of results of associates, net of tax		<u>29,761</u>	<u>27,314</u>	<u>29,761</u>
Profit before tax	18	65,181	27,965	65,181
Income tax expense	19	<u>(15,191)</u>	<u>(1,185)</u>	<u>(15,191)</u>
Profit for the period		<u>49,990</u>	<u>26,780</u>	<u>49,990</u>
Profit attributable to:				
Owners of the Company		35,142	23,421	35,142
Non-controlling interests		<u>14,848</u>	<u>3,359</u>	<u>14,848</u>
Profit for the period		<u><u>49,990</u></u>	<u><u>26,780</u></u>	<u><u>49,990</u></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 three months ended 31 March 2015 - unaudited

	Note	Current Quarter Ended 31/03/2015 RM'000	(Unaudited) (Restated) Comparative Quarter Ended 31/03/2014 RM'000	3 months Cumulative To Date 31/03/2015 RM'000	(Unaudited) (Restated) Comparative 3 months Cumulative To Date 31/03/2014 RM'000
Profit for the period		49,990	26,780	49,990	26,780
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		--	--	--	--
Gain on sale of available-for-sale financial assets		--	--	--	--
Net gain/(loss) on cash flow hedges of an associate		--	190	--	190
Other comprehensive income for the period, net of tax		--	190	--	190
Total comprehensive income for the period		<u>49,990</u>	<u>26,970</u>	<u>49,990</u>	<u>26,970</u>
Total comprehensive income attributable to:					
Owners of the Company		35,142	23,577	35,142	23,577
Non-controlling interests		14,848	3,393	14,848	3,393
Total comprehensive income for the period		<u>49,990</u>	<u>26,970</u>	<u>49,990</u>	<u>26,970</u>
Earnings per ordinary share		sen	sen	sen	sen
Basic	20	8.99	5.99	8.99	5.99
Diluted	20	8.99	5.97	8.99	5.97

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 31 December 2014 - unaudited

	Note	As at end of Current Quarter 31/03/2015 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2014 RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment		349,216	336,534
Investment properties		102,564	39,768
Prepaid land lease payments		38,343	38,426
Jointly controlled entity		153,367	148,839
Investment in associates		980,715	950,719
Other investment		--	--
Deferred tax assets		3,512	3,512
Intangible assets		--	--
Goodwill on consolidation		184,407	184,407
Total Non-Current Assets		<u>1,812,124</u>	<u>1,702,205</u>
Current Assets			
Other investments		--	1,000
Property development costs		19,842	141,733
Inventories		118,081	182,534
Trade & other receivables and prepaid expenses		193,072	164,523
Amount owing by associates		20	20
Tax recoverable		12,834	11,108
Cash and bank balances		250,765	216,979
Deferred tax assets		--	8,881
Total Current Assets		<u>594,614</u>	<u>726,778</u>
TOTAL ASSETS	18	<u><u>2,406,738</u></u>	<u><u>2,428,983</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 31 December 2014 - unaudited

		As at end of Current Quarter 31/03/2015 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2014 RM'000
	Note	<u>RM'000</u>	<u>RM'000</u>
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Share capital		390,711	390,711
Reserves		<u>1,189,110</u>	<u>1,131,626</u>
Equity attributable to owners of the Company		1,579,821	1,522,337
Non-controlling interests		<u>267,873</u>	<u>253,025</u>
Total Equity		<u>1,847,694</u>	<u>1,775,362</u>
Non-Current Liabilities			
Long term borrowings	22	309,967	302,471
Deferred tax liabilities		3,834	3,834
Provision for retirement benefits		<u>3,007</u>	<u>3,001</u>
Total Non-Current Liabilities		<u>316,808</u>	<u>309,306</u>
Current Liabilities			
Provision for liabilities		770	268
Short term borrowings	22	125,618	113,559
Trade & other payables and accrued expenses		112,247	229,728
Amount owing to holding company		173	220
Tax liabilities		<u>3,428</u>	<u>540</u>
Total Current Liabilities		<u>242,236</u>	<u>344,315</u>
Total Liabilities	18	<u>559,044</u>	<u>653,621</u>
TOTAL EQUITY AND LIABILITIES		<u>2,406,738</u>	<u>2,428,983</u>
Net assets per share (RM)		4.04	3.90

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 three months ended 31 March 2015 - unaudited

Note	/----- 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 capital RM'000	Share premium RM'000	Warrants reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Hedging reserve RM'000				
3 months ended 31 March 2014										
At 1 January 2014										
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)
At 1 January 2013 - restated	390,711	500	44,585	--	681	(267)	1,002,155	1,438,365	249,681	1,688,046
Dividends distributed to owners of the Company	--	--	--	--	--	--	--	--	--	--
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--	--	--	--
Profit for the period - restated	--	--	--	--	--	--	23,421	23,421	3,359	26,780
Other comprehensive income for the period	--	--	--	--	--	190	--	190	17	207
Issue of shares:										
Exercise of warrants	--	--	--	--	--	--	(11,721)	(11,721)	--	(11,721)
Warrants exercised in a subsidiary	--	--	--	--	--	--	--	--	17	17
At 31 March 2014 - restated	390,711	500	44,585	--	681	(77)	1,013,855	1,450,255	253,074	1,703,329
3 months ended 31 March 2015										
At 1 January 2015										
Fair value of investment properties	--	--	--	--	37,970	--	--	37,970	--	37,970
Dividends distributed to owners of the Company	--	--	--	--	--	--	(15,628)	(15,628)	--	(15,628)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--	--	--	--
Profit for the period	--	--	--	--	--	--	35,142	35,142	14,848	49,990
Other comprehensive income/(loss) for the period	--	--	--	--	--	--	--	--	--	--
Issue of shares:										
Exercise of warrants	--	--	--	--	--	--	--	--	--	--
Warrants exercised in a subsidiary	--	--	--	--	--	--	--	--	--	--
At 31 March 2015	390,711	500	44,585	--	38,651	(26)	1,105,400	1,579,821	267,873	1,847,694

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 three months ended 31 March 2015 - unaudited

		(Restated)
	2015	2014
	3 months ended	3 months ended
	31/03/2015	31/03/2014
Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	49,990	26,780
Adjustments for :		
Income tax expense	15,191	1,185
Share of results of associates	(29,761)	(27,314)
Share of results of jointly controlled entity	(4,530)	(5,758)
Depreciation and amortisation	5,444	6,523
Other Non-cash items	--	--
Non-operating items	3,701	3,157
Operating profit before working capital changes	40,035	4,573
Changes in working capital		
Decrease / (Increase) in trade & other receivables	134,543	(37,294)
Decrease / (Increase) in inventories	44,611	(65)
(Decrease) / Increase in trade & other payables	(47)	(34)
Net changes in other current assets & liabilities	(116,974)	28,991
Income tax refunded	1,167	977
Income tax paid	(5,266)	(4,933)
Net cash from operating activities	<u>98,069</u>	<u>(7,785)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	1,566	2,060
Purchase of property, plant & equipment	(3,042)	(4,788)
Additions to investment property	(53,787)	(672)
Proceeds from disposal of other investment	373	--
Net cash (used in)/from investing activities	<u>(54,890)</u>	<u>(3,400)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(15,628)	(11,721)
Proceeds from issue of shares in a subsidiary to minorities	--	17
Finance costs	(5,257)	(5,195)
Bank borrowings	7,563	(8,508)
Net cash used in financing activities	<u>(13,322)</u>	<u>(25,407)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	29,857	(36,592)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>217,606</u>	<u>241,343</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u>247,463</u>	<u>204,751</u>
Cash and cash equivalents comprise :		
Cash and bank balances	23 250,765	207,171
Bank overdrafts	(3,302)	(2,420)
	<u>247,463</u>	<u>204,751</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 three months ended 31 March 2015 consist of the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in jointly controlled entity and associates.

These condensed consolidated interim financial statements were approved by the Board of Directors on 25 May 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 second 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 25 March 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:

Ordinary shares	Par value RM	Period ended 31/03/2015	
		Number of shares '000	Share Capital RM'000
As at 1 January 2015	1.00	390,711	390,711
Conversion of warrants	1.00	-	-
As at 31 March 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 event or transaction during the period from 31 March 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 31 March 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, except as follow:

11. Significant related party transactions

During the period ended 31 March 2015, the Group and the Company had the following transactions with related parties :

	Period ended 31/03/2015 RM'000
<u>Group</u>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	284,171
Sales to a subsidiary of Perodua	--
Sales to an associate of Perodua	(34,610)
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	8,970
Purchases from Toyota Tsusho Co., its subsidiaries and associates	1,143
Purchases from Toyota Tsusho (Malaysia), its subsidiaries and associates	413
Sales to Toyota Tsusho Co., its subsidiaries and associates	(148)
Affiliated companies of Autoliv AB Sweden:	
Purchases	18,192
Royalty payable	859
Development expenditure and tooling cost	96
Information technology expenditure	--
Sales	(822)
Testing fee receivable	12
Central Motor Wheels Co, a minority shareholder:	
Royalty fee payable	774
Technical fee payable	--
Development expenses	--
<u>Company</u>	
Management fees from:	
- subsidiaries	(36)

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 31 March 2015 is as follows :

	<u>RM'000</u>
Approved and contracted for	6,018
Approved and not contracted for	34,016
	<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 31 March 2015

	Motor Trading RM'000	Auto Parts Manufacturing RM'000	Property development RM'000	All others RM'000	Group RM'000
Revenues from external customers	411,220	40,690	139,831	--	591,741
Results for reportable segments	4,591	(1,556)	33,501	(1,955)	34,581
Share of results of jointly controlled entity	--	4,530	--	--	4,530
Share of results of associates	29,761	--	--	--	29,761
Interest income	674	211	--	681	1,566
Finance costs	(536)	(938)	--	(3,783)	(5,257)
Profit/(loss) before tax for reportable segment	34,490	2,247	33,501	(5,057)	65,181
Depreciation and amortisation	(1,353)	(3,072)	(2)	(35)	(4,462)
Other significant non-cash items					
- Provisions	1	--	--	--	1
Capital expenditure	1,597	1,368	--	--	2,965
Segment assets	621,692	344,087	66,041	240,836	1,272,656
Jointly controlled entity	--	153,367	--	--	153,367
Investment in associates	934,266	46,449	--	--	980,715
Segment liabilities	(150,619)	(108,478)	(29,204)	(270,743)	(559,044)

Period ended 31 March 2014 - Restated

	Motor Trading RM'000	Auto Parts Manufacturing RM'000	Property development RM'000	All others RM'000	Group RM'000
Revenues from external customers	408,870	38,489	--	--	447,359
Intersegment revenue	--	--	--	--	--
Results for reportable segments	3,020	(2,088)	(117)	(2,168)	(1,353)
Share of results of jointly controlled entity	--	5,758	--	--	5,758
Share of results of associates	26,358	956	--	--	27,314
Interest income	517	283	17	625	1,442
Finance costs	(917)	(698)	--	(3,581)	(5,196)
Profit/(loss) before tax for reportable segment	28,978	4,211	(100)	(5,124)	27,965
Depreciation and amortisation	2,367	5,011	7	31	7,416
Other significant non-cash items					
- Provisions	--	--	--	--	--
Capital expenditure	2,348	2,830	--	282	5,460
Segment assets	679,255	205,605	142,925	359,731	1,387,516
Jointly controlled entity	--	141,664	--	--	141,664
Investment in associates	873,718	46,246	--	--	919,964
Segment liabilities	(228,798)	(95,877)	(142,643)	(278,300)	(745,618)

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 31/03/2015 RM'000	(Restated) Period ended 31/03/2014 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	591,741	447,359
All others	--	--
	<u>591,741</u>	<u>447,359</u>
<u>Profit or loss</u>		
Total profit for Group's reportable segments, including finance costs and interest income	35,947	17
All others	(5,057)	(5,124)
Share of results of jointly controlled entity	4,530	5,758
Share of results of associates	29,761	27,314
	<u>65,181</u>	<u>27,965</u>
<u>Assets</u>		
Total assets for Group's reportable segments	1,031,820	1,027,785
All others	240,836	359,731
Jointly controlled entity	153,367	141,664
Investment in associates	980,715	919,964
	<u>2,406,738</u>	<u>2,449,144</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	288,301	467,318
All others	270,743	278,300
	<u>559,044</u>	<u>745,618</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 31/03/2015 RM'000	Year to date 31/03/2015 RM'000
Current year's provision	15,191	15,191
Add :		
Under/(Over) provision in prior years	--	--
	<u>15,191</u>	<u>15,191</u>
Deferred taxation	--	--
Income tax expense	<u><u>15,191</u></u>	<u><u>15,191</u></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 31/03/2015 %	Year to date 31/03/2015 %
Statutory income tax rate in Malaysia	25.0	25.0
Adjustment for tax applicable to share of results in associates	(11.4)	(11.4)
Adjustment for tax applicable to share of results in jointly controlled entity	(1.7)	(1.7)
Expenses not deductible for tax purpose / (Income not subject to tax)	11.5	11.5
	<u>23.4</u>	<u>23.4</u>

20. Earnings per ordinary share (EPS)

	Quarter ended		Year to date 3 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Basic earnings per ordinary share				
Profit attributable to ordinary shareholders (RM'000)	35,142	23,421	35,142	23,421
Weighted average number of ordinary shares ('000)	390,711	390,680	390,711	390,680
Effect of exercise of rights issue #	--	-	--	--
	<u>390,711</u>	<u>390,680</u>	<u>390,711</u>	<u>390,680</u>
Basic earnings per share (sen)	8.99	5.99	8.99	5.99

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

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

	Quarter ended		Year to date 3 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Diluted earnings per ordinary share				
Profit attributable to ordinary shareholders (RM'000)	35,142	23,421	35,142	23,421
Adjusted weighted average number of ordinary shares in issue and issuable	390,711	392,025	390,711	392,025
Diluted earnings per share (sen)	8.99	5.97	8.99	5.97

	No of ordinary shares of RM1.00 each	
	31/03/2015	31/03/2014
Weighted average number of ordinary shares	390,710,753	390,679,609
Adjustment for assumed exercise of warrants	--	1,345,219
Adjusted weighted average number of ordinary shares in issue and issuable	390,710,753	392,024,829

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	125,618	309,967
Unsecured	--	--
Total	125,618	309,967

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

23. Cash and Cash Equivalents

	The Group As at	
	31/03/2015 RM'000	31/03/2014 RM'000
Cash on hand and at at banks	100,560	74,185
Deposits with licensed banks	<u>150,205</u>	<u>132,986</u>
Cash and bank balances	250,765	207,171
Less : Bank overdrafts	(3,302)	(2,420)
	<u>247,463</u>	<u>204,751</u>
Cash and bank balances	250,765	207,171
Less :		
Total borrowings*	(435,585)	(471,351)
	<u>247,463</u>	<u>204,751</u>
Net cash position (after total borrowings)	<u>(184,820)</u>	<u>(264,180)</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 17 May 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 31 March 2015 into realised and unrealised profits or losses.

	31/03/2015	
	The Group RM'000	The Company RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	614,467	265,496
Unrealised	5,290	(1,415)
Total retained earnings from the jointly controlled entity		
Realised	86,159	--
Unrealised	--	--
Total retained earnings from the associates		
Realised	748,680	--
Unrealised	(22,243)	--
Less : Consolidation adjustments	<u>(326,953)</u>	<u>--</u>
Total retained earnings as per statement of financial position	<u>1,105,400</u>	<u>264,081</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 : 25 May 2015**

For further information, please contact Mr. Darren Kong, Group Financial Controller at Tel : 603-22876803
Our Quarterly Announcement for the first quarter ended 31 March 2015 can be downloaded from the internet at www.bursamalaysia.com or www.mbmr.com.my

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Comparative for the three months ended 31 March 2014 - unaudited

	Note	Quarter Ended 31/03/2014			3 months Cumulative To Date 31/03/2014 (Unaudited)		
		Fully Consolidated RM'000	MFRS 10 & 11 Adjustments RM'000	Restated RM'000	Fully Consolidated RM'000	MFRS 10 & 11 Adjustments RM'000	Restated RM'000
Revenue	18	508,205	(60,846)	447,359	508,205	(60,846)	447,359
Cost of sales		<u>(465,765)</u>	<u>47,057</u>	<u>(418,708)</u>	<u>(465,765)</u>	<u>47,057</u>	<u>(418,708)</u>
Gross profit		42,440	(13,789)	28,651	42,440	(13,789)	28,651
Other income		7,399	(1,297)	6,102	7,399	(1,297)	6,102
Administrative and other expenses		(21,763)	1,548	(20,215)	(21,763)	1,548	(20,215)
Selling and marketing expenses		(15,891)	--	(15,891)	(15,891)	--	(15,891)
Finance costs		(5,196)	--	(5,196)	(5,196)	--	(5,196)
Interest income		2,060	(618)	1,442	2,060	(618)	1,442
Share of results of jointly controlled entity, net of tax		--	5,758	5,758	--	5,758	5,758
Share of results of associates, net of tax		<u>27,314</u>	<u>--</u>	<u>27,314</u>	<u>27,314</u>	<u>--</u>	<u>27,314</u>
Profit before tax	18	36,363	(8,398)	27,965	36,363	(8,398)	27,965
Income tax expense	19	<u>(4,051)</u>	<u>2,866</u>	<u>(1,185)</u>	<u>(4,051)</u>	<u>2,866</u>	<u>(1,185)</u>
Profit for the period		32,312	(5,532)	26,780	32,312	(5,532)	26,780
Profit attributable to:							
Owners of the Company		23,421	--	23,421	23,421	--	23,421
Non-controlling interests		<u>8,891</u>	<u>(5,532)</u>	<u>3,359</u>	<u>8,891</u>	<u>(5,532)</u>	<u>3,359</u>
Profit for the period		32,312	(5,532)	26,780	32,312	(5,532)	26,780

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)
Comparative for the three months ended 31 March 2014 - unaudited

	Note	Quarter Ended 31/12/2014			12 months Cumulative To Date 31/03/2014		
		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
Profit for the period		32,312	(5,532)	26,780	32,312	(5,532)	26,780
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		--	--	--	--	--	--
Gain on sale of available-for-sale financial assets		--	--	--	--	--	--
Net gain/(loss) on cash flow hedges of an associate		190	--	190	190	--	190
Other comprehensive income for the period, net of tax		190	--	190	190	--	190
Total comprehensive income for the period		<u>32,502</u>	<u>(5,532)</u>	<u>26,970</u>	<u>32,502</u>	<u>(5,532)</u>	<u>26,970</u>
Total comprehensive income attributable to:							
Owners of the Company		23,577	--	23,577	23,577	--	23,577
Non-controlling interests		8,925	(5,532)	3,393	8,925	(5,532)	3,393
Total comprehensive income for the period		<u>32,502</u>	<u>(5,532)</u>	<u>26,970</u>	<u>32,502</u>	<u>(5,532)</u>	<u>26,970</u>
Earnings per ordinary share		sen	sen	sen	sen	sen	sen
Basic	20	8.51	0.48	8.99	35.24	(29.25)	5.99
Diluted	20	8.51	0.48	8.99	34.50	(28.53)	5.97

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Comparative as at 31 March 2014 - unaudited

	Note	As at end Quarter 31/03/2014		(Unaudited) Restated RM'000
		(Unaudited) Fully Consolidated RM'000	MFRS 10 & 11 Adjustments RM'000	
ASSETS				
Non-Current Assets				
Property, plant & equipment		383,689	(55,493)	328,196
Investment properties		32,092		32,092
Prepaid land lease payments		38,820		38,820
Jointly controlled entity		--	141,664	141,664
Investment in associates		919,964		919,964
Other investment		1,000		1,000
Deferred tax assets		2,953	(590)	2,363
Intangible assets		5,005	(5,005)	--
Goodwill on consolidation		227,007	(42,600)	184,407
Total Non-Current Assets		1,610,530	37,976	1,648,506
Current Assets				
Property development costs		97,189		97,189
Inventories		285,968	(22,266)	263,702
Trade & other receivables and prepaid expenses		267,347	(57,984)	209,363
Amount owing by associates		--		--
Tax recoverable		17,141		17,141
Cash and bank balances		308,027	(100,856)	207,171
Deferred tax assets		6,072		6,072
Total Current Assets		981,744	(181,106)	800,638
TOTAL ASSETS	18	2,592,274	(143,130)	2,449,144

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)
Comparative as at 31 March 2014 - unaudited

	Note	As at preceding Financial Year Ended 31/12/2013		Restated RM'000
		Fully Consolidated RM'000	MFRS 10 & 11 Adjustments RM'000	
<u>EQUITY AND LIABILITIES</u>				
Capital and Reserves				
Share capital		390,711		390,711
Reserves		1,063,010	(3,368)	1,059,642
Equity attributable to owners of the Company		1,453,721	(3,368)	1,450,353
Non-controlling interests		332,327	(79,155)	253,172
Total Equity		1,786,048	(82,523)	1,703,525
Non-Current Liabilities				
Long term borrowings	22	325,806		325,806
Deferred tax liabilities		3,347	(878)	2,469
Provision for retirement benefits		2,429		2,429
Total Non-Current Liabilities		331,582	(878)	330,704
Current Liabilities				
Provision for liabilities		5,117	(4,850)	267
Short term borrowings	22	145,545		145,545
Trade & other payables and accrued expenses		319,568	(51,517)	268,051
Amount owing to holding company		147		147
Tax liabilities		4,267	(3,362)	905
Total Current Liabilities		474,644	(59,729)	414,915
Total Liabilities	18	806,226	(60,607)	745,619
TOTAL EQUITY AND LIABILITIES		2,592,274	(143,130)	2,449,144
Net assets per share (RM)		3.72		3.71