



QUARTERLY ANNOUNCEMENT
For the second quarter ended 30 June 2015

Summary

- Group's revenue contracted 23.9%
- Motor trading division performance affected by slow demand post implementation of GST. This was partially cushioned by better aftersales revenues
- Auto parts manufacturing recorded lower revenues due to lower demand by major car makers. Profits were also affected by the weakening of the Ringgit
- Associates' contribution improved 11.6%
- The Board declared an interim dividend of 4 sen per share and a special dividend of 3 sen per share

Results

	Quarter ended 30 Jun			Year to date ended 30 Jun		
	2015 RM mil	2014 (Restated) RM mil	Change %	2015 RM mil	2014 (Restated) RM mil	Change %
Revenue	374.4	492.2	(23.9)	966.2	939.5	2.8
On going business	374.4	492.2	(23.9)	826.9	939.5	(12.0)
One-off property contribution	--	--	-	139.8	--	>100.0
Profit before tax	33.9	36.5	(7.1)	99.1	64.5	53.7
On going business	33.9	36.5	(7.1)	65.6	64.5	1.7
One-off property contribution	--	--	-	33.5	--	>100.0
Profit for the period	32.5	34.5	(5.6)	82.5	61.3	34.7
Profit attributable to owners of the Company	29.2	31.2	(6.5)	64.4	54.7	17.7
Basic earnings per share	7.5	8.0	(6.5)	16.5	14.0	17.7
Equity attributable to owners of the Company	As at 30 Jun 2015 RM mil	As at 31 Dec 2014 RM mil	5.7			
Net assets per share	4.12	3.90	5.7			

Performance of sales by operations

% Changes *	Q2'15 vs Q1'15	Q2'15 vs Q2'14	YTD Jun'15 vs YTD Jun'14
Total Industry Volume (TIV) **	- 8.6	- 11.2	- 3.3
Total Industry Production (TIP) **	+ 0.2	- 0.3	+ 3.1
Total Group's Vehicles Sales	- 10.6	- 9.1	+ 2.9
<u>Subsidiaries</u>			
DMSB - Daihatsu & Hino trucks	- 3.3	- 36.2	- 25.8
DMMS Perodua vehicles	- 8.2	- 1.5	+ 12.1
Federal Auto : Volvo, Volkswagen & Mitsubishi vehicles	- 34.2	- 42.4	- 34.3
HASB	+ 4.9	+ 1.0	+ 1.0
OMI	+ 16.8	- 0.5	+ 2.8
Service throughputs	- 0.9	+ 3.3	+ 1.7
<u>Joint Venture</u>			
AHSB	- 7.8	- 21.0	- 10.0
<u>Associated companies</u>			
Perodua vehicles	+ 11.3	+ 25.4	+ 16.9
Hino trucks and buses	+ >100.0	+ 3.3	- 27.5

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

QUARTERLY ANNOUNCEMENT
For the second quarter ended 30 June 2015

Group Financial Performance

Second quarter ended 30 June 2015 compared with second quarter ended 30 June 2014

	Revenue			Profit before tax		
	Quarter ended 30-Jun-15 RM'000	Quarter ended 30-Jun-14 RM'000	Change %	Quarter ended 30-Jun-15 RM'000	Quarter ended 30-Jun-14 RM'000	Change %
Consolidated Total	374,413	492,174	(23.9)	33,930	36,533	(7.1)
<u>Business segments:</u>						
Motor Trading	328,254	445,113	(26.3)	3,690	3,268	12.9
Auto Parts Manufacturing	45,987	47,061	(2.3)	(3,875)	(1,426)	171.7
Share of results of a joint venture				4,716	7,843	(39.9)
Share of results of associates				35,427	31,733	11.6
Others	172	--		(6,028)	(4,885)	(23.4)

Group

The Group's revenue declined by 23.9% to RM374.4 million. Profit before tax declined 7.1% to RM33.9 million. Share of results of joint venture fell by 39.9% to RM4.7 million, whilst share of results of associate companies improved by 11.6% to RM35.4 million.

The overall decline in profit before tax was mainly attributable to lower sales from both motor trading and auto parts manufacturing, in line with lower TIV and TIP.

The share of the joint venture's results declined 21.3% due to price pressures and lower demand from major customers.

Associates' results improved 11.6% to RM35.4 million due to higher sales of the Perodua vehicles and lower losses from Hino Motors Manufacturing.

The Group's gross debt to equity ratio as at 30 June 2015 was 21.3% compared with 24.2% as at the end of the same period last year.

Net assets per share rose to RM4.12 as at the end of 30 June 2015.

Motor Trading

The lower performance of the motor trading division was mainly due to softer demand after the implementation of GST in April 2015. However, vehicle sales have improved, albeit at a slow rate in May 2015 and June 2015, helped by Volkswagen sales and better aftersales revenues.

Auto Parts Manufacturing

Auto parts manufacturing's revenue declined due to lower deliveries of products to the major car makers. Demand from major customers was lower during the quarter in line with lower TIP.

QUARTERLY ANNOUNCEMENT
For the second quarter ended 30 June 2015

Second quarter ended 30 June 2015 against previous quarter ended 31 March 2015

	Revenue			Profit before tax		
	Quarter ended 30-Jun-15 RM'000	Quarter ended 31-Mar-15 RM'000	Change %	Quarter ended 30-Jun-15 RM'000	Quarter ended 31-Mar-15 RM'000	Change %
Consolidated Total	374,413	591,741	(36.7)	33,930	65,181	(47.9)
<u>Business segments:</u>						
Motor Trading	328,254	411,220	(20.2)	3,690	4,729	(22.0)
Auto Parts Manufacturing	45,987	40,690	13.0	(3,875)	(2,283)	(69.7)
Share of results of a joint venture				4,716	4,530	4.1
Share of associates' results				35,427	29,761	19.0
Others	172	139,831		(6,028)	28,444	121.2

Group

The Group's revenue declined by 36.7%, mainly due to lower revenues in motor trading which declined by 20.2%. Profit before tax declined by 47.9%, as a result of lower contributions from motor trading and auto parts manufacturing of 22.0% and 69.7% respectively. However, share of results of both joint venture and associate companies improved by 4.1% and 19.0% respectively.

Motor Trading

As a result of a pent up demand in March 2015 ahead of the implementation of GST, vehicle sales were softer in April 2015. Revenues and profit from motor trading declined by 20.2% and 22.0% respectively.

Auto Parts Manufacturing

Revenues improved mainly due to higher deliveries in the tyre assembly, however the auto parts manufacturing division profits were mainly affected by the weakening of the Ringgit which resulted in higher operating costs.

PROSPECTS

The trading environment remains challenging as the uncertain economic conditions will continue to affect consumer sentiment.

Market competition has become more intense as more sales campaigns being launched by market players to stay competitive and maintain market share.

The current Ringgit weakness will result in higher operating costs for the Group.

The Group will continue to focus on cost management and improve on aftersales revenues, while growing our market share from new models from the various brands under the Group and leverage on sales campaigns by the brand principals.

Board of Directors
MBM Resources Berhad
19 August 2015

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015 - unaudited

		(Unaudited) (Restated)		(Unaudited) (Restated)
	Current Quarter Ended 30/06/2015 RM'000	Comparative Quarter Ended 30/06/2014 RM'000	6 months Cumulative To Date 30/06/2015 RM'000	Comparative 6 months Cumulative To Date 30/06/2014 RM'000
Note				
Revenue	18	374,413	492,174	966,154
Cost of sales		<u>(347,328)</u>	<u>(458,985)</u>	<u>(873,357)</u>
Gross profit		27,085	33,189	92,797
Other income		7,634	8,221	14,415
Administrative and other expenses		(23,964)	(22,124)	(44,560)
Selling and marketing expenses		(12,953)	(18,181)	(30,269)
Finance costs		(5,295)	(5,273)	(10,552)
Interest income		1,280	1,125	2,846
Share of results of a joint venture, net of tax		4,716	7,843	9,246
Share of results of associates, net of tax		<u>35,427</u>	<u>31,733</u>	<u>65,188</u>
Profit before tax	18	33,930	36,533	99,111
Income tax expense	19	<u>(1,390)</u>	<u>(2,048)</u>	<u>(16,581)</u>
Profit for the period		<u>32,540</u>	<u>34,485</u>	<u>82,530</u>
Profit attributable to:				
Owners of the Company		29,224	31,244	64,366
Non-controlling interests		<u>3,316</u>	<u>3,241</u>	<u>18,164</u>
Profit for the period		<u><u>32,540</u></u>	<u><u>34,485</u></u>	<u><u>82,530</u></u>
		<u><u>61,265</u></u>	<u><u>61,265</u></u>	<u><u>61,265</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 six months ended 30 June 2015 - unaudited

	Note	Current Quarter Ended 30/06/2015 RM'000	(Unaudited) (Restated) Comparative Quarter Ended 30/06/2014 RM'000	6 months Cumulative To Date 30/06/2015 RM'000	(Unaudited) (Restated) Comparative 6 months Cumulative To Date 30/06/2014 RM'000
Profit for the period		32,540	34,485	82,530	61,265
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		--	--	--	--
Net gain/(loss) on cash flow hedges of an associate		--	101	--	291
Share of foreign exchange reserve deficit in an associate		472	--	472	--
Other comprehensive income for the period, net of tax		472	101	472	291
Total comprehensive income for the period		<u>33,012</u>	<u>34,586</u>	<u>83,002</u>	<u>61,556</u>
Total comprehensive income attributable to:					
Owners of the Company		29,646	31,356	64,788	54,933
Non-controlling interests		3,366	3,230	18,214	6,623
Total comprehensive income for the period		<u>33,012</u>	<u>34,586</u>	<u>83,002</u>	<u>61,556</u>
Earnings per ordinary share		sen	sen	sen	sen
Basic	20	7.48	8.00	16.47	13.99
Diluted	20	7.48	7.99	16.47	13.99

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 June 2015 - unaudited

	Note	As at end of Current Quarter 30/06/2015 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2014 RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment		347,948	336,534
Investment properties		102,947	39,768
Prepaid land lease payments		38,260	38,426
Investment in a joint venture		158,085	148,839
Investment in associates		971,007	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>1,806,339</u>	<u>1,702,205</u>
Current Assets			
Other investments		--	1,000
Property development costs		--	141,733
Inventories		264,148	182,534
Trade & other receivables and prepaid expenses		191,894	164,523
Amount owing by associates		--	20
Tax recoverable		11,478	11,108
Cash and bank balances		258,363	216,979
Deferred tax assets		--	8,881
Total Current Assets		<u>725,883</u>	<u>726,778</u>
TOTAL ASSETS	18	<u><u>2,532,222</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 30 June 2015 - unaudited

	Note	As at end of Current Quarter 30/06/2015 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2014 RM'000
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Share capital		390,711	390,711
Reserves		<u>1,218,521</u>	<u>1,131,626</u>
Equity attributable to owners of the Company		1,609,232	1,522,337
Non-controlling interests		<u>268,096</u>	<u>253,025</u>
Total Equity		<u>1,877,328</u>	<u>1,775,362</u>
Non-Current Liabilities			
Long term borrowings	22	289,455	302,471
Deferred tax liabilities		3,834	3,834
Provision for retirement benefits		<u>3,014</u>	<u>3,001</u>
Total Non-Current Liabilities		<u>296,303</u>	<u>309,306</u>
Current Liabilities			
Provision for liabilities		756	268
Short term borrowings	22	110,592	113,559
Trade & other payables and accrued expenses		243,729	229,728
Amount owing to holding company		53	220
Hire purchase payables - current portion		--	--
Tax liabilities		<u>3,461</u>	<u>540</u>
Total Current Liabilities		<u>358,591</u>	<u>344,315</u>
Total Liabilities	18	<u>654,894</u>	<u>653,621</u>
TOTAL EQUITY AND LIABILITIES		<u>2,532,222</u>	<u>2,428,983</u>
Net assets per share (RM)		4.12	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 six months ended 30 June 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				
6 months ended 30 June 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 2014 - 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	--	--	--	--	--	--	(11,721)	(11,721)	--	(11,721)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--	--	(3,547)	(3,547)
Profit for the period - restated	--	--	--	--	--	--	54,665	54,665	6,600	61,265
Other comprehensive income for the period	--	--	--	--	--	267	--	267	23	290
Issue of shares:										
Exercise of warrants	--	--	--	--	--	--	--	--	--	--
Warrants exercised in a subsidiary	--	--	--	--	--	--	--	--	17	17
At 30 June 2014 - restated	390,711	500	44,585	--	681	--	1,045,099	1,481,576	252,774	1,734,350
6 months ended 30 June 2015										
At 1 January 2015										
Fair value of investment properties	--	--	--	--	37,735	--	--	37,735	--	37,735
Dividends distributed to owners of the Company	--	--	--	--	--	--	(15,628)	(15,628)	--	(15,628)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--	--	(3,143)	(3,143)
Profit for the period	--	--	--	--	--	--	64,366	64,366	18,164	82,530
Other comprehensive income/(loss) for the period	--	--	--	--	--	422	--	422	50	472
Issue of shares:										
Exercise of warrants	--	--	--	--	--	--	--	--	--	--
Warrants exercised in a subsidiary	--	--	--	--	--	--	--	--	--	--
At 30 June 2015	390,711	500	44,585	--	38,416	396	1,134,624	1,609,232	268,096	1,877,328

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 six months ended 30 June 2015 - unaudited

	2015	(Restated)
	6 months ended	6 months ended
	30/06/2015	30/06/2014
Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	82,530	61,265
Adjustments for :		
Income tax expense	16,581	3,233
Share of results of associates	(65,188)	(59,047)
Share of results of jointly controlled entity	(9,246)	(13,601)
Depreciation and amortisation	10,281	11,074
Other Non-cash items	--	--
Non-operating items	7,760	7,920
Operating profit before working capital changes	42,718	10,844
Changes in working capital		
Decrease / (Increase) in trade & other receivables	45,146	(42,290)
(Increase) / Decrease in inventories	(81,615)	21,719
Decrease in trade & other payables	(147)	(20)
Net changes in other current assets & liabilities	14,500	30,018
Income tax refunded	539	9,445
Income tax paid	(4,744)	(9,651)
Net cash from operating activities	<u>16,397</u>	<u>20,065</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from associates	45,360	45,605
Interest income	2,846	2,567
Purchase of property, plant & equipment	(6,560)	(21,870)
Additions to investment property	--	(3,441)
Proceeds from disposal of other investment	373	--
Net cash from investing activities	<u>42,019</u>	<u>22,861</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(15,628)	(11,721)
Dividends paid to minorities of a subsidiary	(3,143)	(3,548)
Proceeds from issue of shares in a subsidiary to minorities	10	27
Finance costs	(10,552)	(10,469)
Bank borrowings	(12,952)	(37,448)
Net cash used in financing activities	<u>(42,265)</u>	<u>(63,159)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	16,151	(20,233)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>217,606</u>	<u>241,343</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>233,757</u>	<u>221,110</u>
Cash and cash equivalents comprise :		
Cash and bank balances	23	236,427
Bank overdrafts	(2,670)	(1,985)
	--	233,757
	<u>233,757</u>	<u>221,110</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 six months ended 30 June 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 19 August 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

No dividends were paid during the financial quarter under review.

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 30/06/2015	
		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 30 June 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 30 June 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 June 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 30 June 2015, the Group and the Company had the following transactions with related parties :

	Period ended 30/06/2015 RM'000
<u>Group</u>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	662,103
Sales to a subsidiary of Perodua	--
Sales to an associate of Perodua	(50,954)
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	20,355
Purchases from Toyota Tsusho Co., its subsidiaries and associates	4,400
Purchases from Toyota Tsusho (Malaysia), its subsidiaries and associates	857
Sales to Toyota Tsusho Co., its subsidiaries and associates	(329)
Affiliated companies of Autoliv AB Sweden:	
Purchases	35,046
Royalty payable	859
Development expenditure and tooling cost	194
Information technology expenditure	--
Sales	(1,396)
Testing fee receivable	12
Central Motor Wheels Co, a minority shareholder:	
Royalty fee payable	186
Technical fee payable	71
Development expenses	--
<hr/>	
<u>Company</u>	
Management fees from:	
- subsidiaries	(36)
<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 June 2015 is as follows :

	<u>RM'000</u>
Approved and contracted for	11,528
Approved and not contracted for	32,000
	<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 June 2015

	<u>Motor Trading</u> RM'000	<u>Auto Parts Manufacturing</u> RM'000	<u>Property development</u> RM'000	<u>All others</u> RM'000	<u>Group</u> RM'000
Revenues from external customers	739,474	86,677	139,831	172	966,154
Results for reportable segments	7,943	(4,451)	33,501	(4,610)	32,383
Share of results of a jointly venture	--	9,246	--	--	9,246
Share of results of associates	65,188	--	--	--	65,188
Interest income	1,396	252	--	1,198	2,846
Finance costs	(920)	(1,959)	--	(7,673)	(10,552)
Profit/(loss) before tax for reportable segment	73,607	3,088	33,501	(11,085)	99,111
Depreciation and amortisation	(3,529)	(6,673)	(5)	(74)	(10,281)
Other significant non-cash items					
- Provisions	1	--	--	--	1
Capital expenditure	2,619	3,685	--	256	6,560
Segment assets	713,854	361,146	63,736	264,394	1,403,130
Jointly controlled entity	--	158,085	--	--	158,085
Investment in associates	924,679	46,328	--	--	971,007
Segment liabilities	(259,788)	(123,476)	(27,352)	(244,278)	(654,894)

Period ended 30 June 2014 - Restated

	<u>Motor Trading</u> RM'000	<u>Auto Parts Manufacturing</u> RM'000	<u>Property development</u> RM'000	<u>All others</u> RM'000	<u>Group</u> RM'000
Revenues from external customers	853,983	85,550	--	--	939,533
Results for reportable segments	6,605	(2,747)	(131)	(3,975)	(248)
Share of results of a joint venture	--	13,601	--	--	13,601
Share of results of associates	57,604	1,443	--	--	59,047
Interest income	943	338	17	1,269	2,567
Finance costs	(1,660)	(1,520)	--	(7,289)	(10,469)
Profit/(loss) before tax for reportable segment	63,492	11,115	(114)	(9,995)	64,498
Depreciation and amortisation	(5,368)	(5,622)	(7)	(77)	(11,074)
Other significant non-cash items					
- Provisions	--	--	--	--	--
Capital expenditure	5,543	16,327	--	3,441	25,311
Segment assets	656,291	348,708	146,926	245,664	1,397,589
Jointly controlled entity	--	149,507	--	--	149,507
Investment in associates	859,446	45,848	--	--	905,294
Segment liabilities	(200,854)	(110,027)	(146,658)	(260,501)	(718,040)

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 30/06/2015 RM'000	(Restated) Period ended 30/06/2014 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	965,982	939,533
All others	172	--
	<u>966,154</u>	<u>939,533</u>
<u>Profit or loss</u>		
Total profit for Group's reportable segments, including finance costs and interest income	35,762	1,845
All others	(11,085)	(9,995)
Share of results of jointly controlled entity	9,246	13,601
Share of results of associates	65,188	59,047
	<u>99,111</u>	<u>64,498</u>
<u>Assets</u>		
Total assets for Group's reportable segments	1,138,736	1,151,925
All others	264,394	245,664
Jointly controlled entity	158,085	149,507
Investment in associates	971,007	905,294
	<u>2,532,222</u>	<u>2,452,390</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	410,616	457,539
All others	244,278	260,501
	<u>654,894</u>	<u>718,040</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	1,390	16,581
Add :		
Under/(Over) provision in prior years	--	--
	<u>1,390</u>	<u>16,581</u>
Deferred taxation	--	--
Income tax expense	<u><u>1,390</u></u>	<u><u>16,581</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	(26.1)	(16.4)
Adjustment for tax applicable to share of results in jointly controlled entity	(3.5)	(2.3)
Expenses not deductible for tax purpose / (Income not subject to tax)	8.7	10.5
	<u>4.1</u>	<u>16.8</u>

20. Earnings per ordinary share (EPS)

	Quarter ended		Year to date 3 months ended	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Basic earnings per ordinary share				
Profit attributable to ordinary shareholders (RM'000)	29,224	31,244	64,366	54,665
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)	7.48	8.00	16.47	13.99

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	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Diluted earnings per ordinary share				
Profit attributable to ordinary shareholders (RM'000)	29,224	31,244	64,366	54,665
Adjusted weighted average number of ordinary shares in issue and issuable	390,711	390,863	390,711	390,863
Diluted earnings per share (sen)	7.48	7.99	16.47	13.99

	No of ordinary shares of RM1.00 each	
	30/06/2015	30/06/2014
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	110,592	289,455
Unsecured	--	--
Total	110,592	289,455

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

23. Cash and Cash Equivalents

	The Group As at	
	30/06/2015 RM'000	30/06/2014 RM'000
Cash on hand and at at banks	87,811	59,210
Deposits with licensed banks	<u>148,616</u>	<u>163,885</u>
Cash and bank balances	236,427	223,095
Less : Bank overdrafts	(2,670)	(1,972)
	<u>233,757</u>	<u>221,123</u>
Cash and bank balances	236,427	223,095
Less :		
Total borrowings*	(400,047)	(441,975)
	<u>233,757</u>	<u>221,123</u>
Net cash position (after total borrowings)	<u>(163,620)</u>	<u>(218,880)</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 11 August 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 June 2015 into realised and unrealised profits or losses.

	30/06/2015	
	The Group RM'000	The Company RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	606,864	301,119
Unrealised	5,290	(1,415)
Total retained earnings from the jointly controlled entity		
Realised	90,875	--
Unrealised	--	--
Total retained earnings from the associates		
Realised	784,107	--
Unrealised	(22,243)	--
Less : Consolidation adjustments	<u>(330,269)</u>	<u>--</u>
Total retained earnings as per statement of financial position	<u>1,134,624</u>	<u>299,704</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 is pleased to declare a first interim dividend of 4.0 sen per share tax exempted (single tier dividend) amounting to approximately 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 approximately RM11,721,323.

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 : 19 AUGUST 2015**

For further information, please contact Mr. Darren Kong, Group Financial Controller at Tel : 603-22876803
Our Quarterly Announcement for the second quarter ended 30 June 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 six months ended 30 June 2014 - unaudited

Note	Quarter Ended 30/06/2014			6 months Cumulative To Date 30/06/2014 (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	565,628	(73,454)	492,174	1,073,833	(134,300)	939,533
Cost of sales	(514,737)	55,752	(458,985)	(980,502)	102,809	(877,693)
Gross profit	50,891	(17,702)	33,189	93,331	(31,491)	61,840
Other income	10,088	(1,867)	8,221	17,487	(3,164)	14,323
Administrative and other expenses	(23,860)	1,736	(22,124)	(45,623)	3,284	(42,339)
Selling and marketing expenses	(18,181)	--	(18,181)	(34,072)	--	(34,072)
Finance costs	(5,273)	--	(5,273)	(10,469)	--	(10,469)
Interest income	1,913	(788)	1,125	3,973	(1,406)	2,567
Share of results of jointly controlled entity, net of tax	--	7,843	7,843	--	13,601	13,601
Share of results of associates, net of tax	31,733	--	31,733	59,047	--	59,047
Profit before tax	47,311	(10,778)	36,533	83,674	(19,176)	64,498
Income tax expense	(5,304)	3,256	(2,048)	(9,355)	6,122	(3,233)
Profit for the period	42,007	(7,522)	34,485	74,319	(13,054)	61,265
Profit attributable to:						
Owners of the Company	31,237	7	31,244	54,658	7	54,665
Non-controlling interests	10,770	(7,529)	3,241	19,661	(13,061)	6,600
Profit for the period	42,007	(7,522)	34,485	74,319	(13,054)	61,265

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)
Comparative for the six months ended 30 June 2014 - unaudited

Note	Quarter Ended 30/06/2014			6 months Cumulative To Date 30/06/2014		
	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	42,007	(7,522)	34,485	74,319	(13,054)	61,265
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	101	--	101	291	--	291
Other comprehensive income for the period, net of tax	101	--	101	291	--	291
Total comprehensive income for the period	<u>42,108</u>	<u>(7,522)</u>	<u>34,586</u>	<u>74,610</u>	<u>(13,054)</u>	<u>61,556</u>
Total comprehensive income attributable to:						
Owners of the Company	31,349	7	31,356	54,926	7	54,933
Non-controlling interests	10,759	(7,529)	3,230	19,684	(13,061)	6,623
Total comprehensive income for the period	<u>42,108</u>	<u>(7,522)</u>	<u>34,586</u>	<u>74,610</u>	<u>(13,054)</u>	<u>61,556</u>
Earnings per ordinary share						
Basic	20	sen 7.99	sen (0.51)	sen 7.48	sen 13.99	sen --
Diluted	20	sen 7.99	sen (0.51)	sen 7.48	sen 13.98	sen 0.01

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

		As at end Quarter 30/06/2014		
		(Unaudited)		(Unaudited)
		Fully	MFRS 10 & 11	Restated
Note		Consolidated	Adjustments	RM'000
		RM'000	RM'000	RM'000
ASSETS				
Non-Current Assets				
	Property, plant & equipment	397,450	(56,968)	340,482
	Investment properties	34,995		34,995
	Prepaid land lease payments	38,689		38,689
	Jointly controlled entity	--	149,507	149,507
	Investment in associates	905,294		905,294
	Other investment	1,000		1,000
	Deferred tax assets	2,953	(590)	2,363
	Intangible assets	4,632	(4,632)	--
	Goodwill on consolidation	227,007	(42,600)	184,407
	Total Non-Current Assets	1,612,020	44,717	1,656,737
Current Assets				
	Property development costs	113,924		113,924
	Inventories	261,483	(19,565)	241,918
	Trade & other receivables and prepaid expenses	268,996	(70,452)	198,544
	Amount owing by associates	--		--
	Tax recoverable	12,100		12,100
	Cash and bank balances	331,312	(108,217)	223,095
	Deferred tax assets	6,072		6,072
	Total Current Assets	993,887	(198,234)	795,653
	TOTAL ASSETS	2,605,907	(153,517)	2,452,390

18

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

		As at end Quarter 30/06/2014		
		(Unaudited)		(Unaudited)
		Fully	MFRS 10 & 11	Restated
Note		Consolidated	Adjustments	RM'000
		RM'000	RM'000	RM'000
<u>EQUITY AND LIABILITIES</u>				
Capital and Reserves				
		390,711		390,711
		1,094,324	(3,459)	1,090,865
		1,485,035	(3,459)	1,481,576
		339,567	(86,793)	252,774
		1,824,602	(90,252)	1,734,350
Non-Current Liabilities				
	22	314,640		314,640
		3,347	(878)	2,469
		1,728		1,728
		319,715	(878)	318,837
Current Liabilities				
		5,666	(4,990)	676
	22	127,335		127,335
		323,005	(53,639)	269,366
		161		161
		5,423	(3,758)	1,665
		461,590	(62,387)	399,203
	18	781,305	(63,265)	718,040
		2,605,907	(153,517)	2,452,390
		3.80		3.79