



QUARTERLY ANNOUNCEMENT
For the fourth quarter ended 31 December 2015

Summary

- Group's revenue improved 6.8% due to better sales in passenger vehicles segment
- Auto parts manufacturing revenue improved as a result of higher demand from major car makers.
- Adverse foreign currency movement affected share of results from joint venture and associates
- Profit before tax declined 71.3% mainly due to lower contributions from joint venture and associates and more conservative provisioning for slow moving stocks and receivables

Results

	Quarter ended 31 Dec			Year to date ended 31 Dec		
	2015	2014	Change	2015	2014	Change
	RM mil	RM mil	%	RM mil	RM mil	%
Revenue	439.3	411.5	6.8	1,816.7	1,774.1	2.4
<i>On going business</i>	439.3	411.5	6.8	1,677.0	1,774.1	(5.5)
<i>One-off property contribution</i>	--	--	-	139.7	--	>100.0
Profit before tax	11.4	39.8	(71.3)	123.0	132.2	(7.0)
<i>On going business</i>	11.4	39.8	(71.3)	89.4	132.9	(32.7)
<i>One-off property contribution</i>	--	--	-	33.6	(0.7)	>100.0
Profit for the period	9.5	34.2	(72.1)	103.3	123.6	(16.4)
Profit attributable to owners of the Company	7.4	31.6	(76.5)	80.4	112.2	(28.4)
	Sen	Sen		Sen	Sen	
Basic earnings per share	1.9	8.1	(76.5)	20.6	28.7	(28.3)
	As at 31 Dec 2015 RM mil	As at 31 Dec 2014 RM mil				
Equity attributable to owners of the Company	1,598.0	1,522.3	5.0			
	RM	RM				
Net assets per share	4.09	3.90	5.0			
	2nd Interim 2015 Sen	2nd Interim 2014 Sen		YTD 2015 Sen	YTD 2014 Sen	
Dividend per share	3.0	4.0	(25.0)	7.0	8.0	(12.5)

Performance of sales by operations

	Q4'15 vs Q3'15	Q4'15 vs Q4'14	YTD Dec'15 vs YTD Dec'14
Total Industry Volume (TIV) **	+ 11.1	+ 4.1	+ 0.0
Total Industry Production (TIP) **	+ 11.5	+ 4.9	+ 3.1
Total Group's Vehicles Sales	+ 11.7	+ 13.7	+ 8.5
Subsidiaries			
DMSB - Daihatsu & Hino trucks	+ 13.6	- 7.9	- 21.1
DMMS Perodua vehicles	+ 14.8	+ 15.6	+ 15.9
Federal Auto : Volvo, Volkswagen & Mitsubishi vehicles	- 13.9	+ 10.7	- 22.2
HASB	+ 12.9	+ 7.0	- 1.1
OMI	+ 3.0	+ 12.6	+ 10.9
Service throughputs	+ 2.0	- 4.9	- 0.7
Joint Venture			
AHSB	+ 1.5	- 9.1	- 10.0
Associated companies			
Perodua vehicles	- 0.4	- 0.1	+ 11.4
Hino trucks and buses	+ 98.3	+ 30.9	- 15.8

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 fourth quarter ended 31 December 2015

Group Financial Performance

Fourth quarter ended 31 December 2015 compared with fourth quarter ended 31 December 2014

	Revenue			Profit before tax		
	Quarter ended 31-Dec-15 RM'000	Quarter ended 31-Dec-14 RM'000	Change %	Quarter ended 31-Dec-15 RM'000	Quarter ended 31-Dec-14 RM'000	Change %
Consolidated Total	439,325	411,525	6.8	11,422	39,761	(71.3)
<u>Business segments:</u>						
Motor Trading	394,712	371,585	6.2	(4,711)	4,045	(216.5)
Auto Parts Manufacturing	44,584	39,940	11.6	(3,935)	(3,964)	0.7
Share of results of a joint venture				3,642	5,162	(29.4)
Share of results of associates				21,951	39,447	(44.4)
Others	29	--		(5,525)	(4,929)	(12.1)

Group

The Group's revenue improved by 6.8% to RM439.3 million. Profit before tax declined 71.3% to RM11.4 million, mainly due to lower contributions from joint venture and associates, and provisioning for slow moving stocks and receivables.

The share of the joint venture's results declined 29.4% to RM3.6 million due to lower production deliveries to one of its major customers as well as unfavourable foreign exchange movements.

Associates' results declined by 44.4% to RM21.95 million, affected by lower revenues and adverse foreign exchange movements.

The Group's gross debt to equity ratio as at 31 December 2015 was 20.0% compared with 23.4% as at the end of the same period last year.

Net assets per share rose to RM4.09 as at the end of 31 December 2015.

Motor Trading

The higher revenues of the motor trading division by 6.2% was mainly due to higher sales in passenger vehicle segment in anticipation of price increases in 2016, coupled with better offerings and sales campaign by brand principals. Due to this, profit before tax would have improved by 76.1%. However, with a provisioning for slow moving stocks and receivables during the current quarter, the motor trading segment recorded a loss before tax of RM4.71 million.

Auto Parts Manufacturing

Auto parts manufacturing division's revenue improved by 11.6% on the back of higher demand by a major customer. Consequentially, losses before tax were lower by 0.7%.

QUARTERLY ANNOUNCEMENT

For the fourth quarter ended 31 December 2015

Fourth quarter ended 31 December 2015 against previous quarter ended 30 September 2015

	Revenue			Profit before tax		
	Quarter ended 31-Dec-15 RM'000	Quarter ended 30-Sep-15 RM'000	Change %	Quarter ended 31-Dec-15 RM'000	Quarter ended 30-Sep-15 RM'000	Change %
Consolidated Total	439,325	411,184	6.8	11,422	12,454	(8.3)
<u>Business segments:</u>						
Motor Trading	394,712	368,505	7.1	(4,711)	4,161	(213.2)
Auto Parts Manufacturing	44,584	42,649	4.5	(3,935)	(3,134)	(25.6)
Share of results of a joint venture				3,642	2,663	36.8
Share of associates' results				21,951	13,182	66.5
Others	29	30		(5,525)	(4,418)	(25.1)

Group

The Group's revenue improved 6.8%, mainly due to higher revenues from motor trading by 7.1% and auto parts manufacturing by 4.5%. Profit before tax declined by 8.3% mainly due to provisioning for slow moving stocks and receivables, despite better contributions from motor trading and higher share of results from joint venture and associates by 36.8% and 66.5% respectively.

Motor Trading

Revenues and profit from motor trading improved by 7.1% due to higher vehicle sales. Due to this, the profit before tax would have improved 71.2%. However, with a provisioning for slow moving stocks and receivables during the current quarter, the motor trading segment recorded a loss before tax of RM4.71 million.

Auto Parts Manufacturing

Revenues improved 4.5% mainly due to higher demand by a major customer.

PROSPECTS

Economic uncertainties will continue to affect business confidence and customer sentiment, with consumer spending expected to moderate. The Malaysian Automotive Association forecasted a 2.5% contraction in vehicle sales by registration for 2016. A weak Ringgit would also affect margins and operating costs.

As a result, the Group will focus on improving aftersales revenue while leveraging on introduction of new models and promotional campaigns by the brand principals to sustain market share.

On the auto parts manufacturing, the Group has secured new orders from major car makers for new models which would commence production later this year.

The Group will continue to focus on cost containment, working capital and capital expenditure management.

Board of Directors
MBM Resources Berhad
24 February 2016

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the twelve months ended 31 December 2015 - unaudited

		Current Quarter Ended 31/12/2015 RM'000	Comparative Quarter Ended 31/12/2014 RM'000	12 months Cumulative To Date 31/12/2015 RM'000	(Audited) Comparative 12 months Cumulative To Date 31/12/2014 RM'000
	Note				
Revenue	18	439,325	411,525	1,816,663	1,774,144
Cost of sales		<u>(413,929)</u>	<u>(380,889)</u>	<u>(1,668,559)</u>	<u>(1,653,746)</u>
Gross profit		25,396	30,636	148,104	120,398
Other income		10,039	9,511	30,490	31,461
Administrative and other expenses		(28,710)	(25,120)	(94,392)	(88,748)
Selling and marketing expenses		(17,505)	(16,660)	(62,922)	(67,130)
Finance costs		(4,952)	(4,586)	(20,517)	(20,151)
Interest income		1,561	1,371	6,352	5,861
Share of results of a joint venture, net of tax		3,642	5,162	15,551	23,133
Share of results of associates, net of tax		<u>21,951</u>	<u>39,447</u>	<u>100,321</u>	<u>127,359</u>
Profit before tax	18	11,422	39,761	122,987	132,183
Income tax expense	19	<u>(1,904)</u>	<u>(5,588)</u>	<u>(19,653)</u>	<u>(8,558)</u>
Profit for the period		<u>9,518</u>	<u>34,173</u>	<u>103,334</u>	<u>123,625</u>
Profit attributable to:					
Owners of the Company		7,409	31,550	80,398	112,222
Non-controlling interests		<u>2,109</u>	<u>2,623</u>	<u>22,936</u>	<u>11,403</u>
Profit for the period		<u>9,518</u>	<u>34,173</u>	<u>103,334</u>	<u>123,625</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 twelve months ended 31 December 2015 - unaudited

	Current Quarter Ended 31/12/2015 RM'000	Comparative Quarter Ended 31/12/2014 RM'000	12 months Cumulative To Date 31/12/2015 RM'000	(Audited) Comparative 12 months Cumulative To Date 31/12/2014 RM'000
Note				
Profit for the period	9,518	34,173	103,334	123,625
Other comprehensive (loss)/income, net of tax				
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
	--	--	--	--
Remeasurement of defined benefit obligations	--	(1,141)	--	(1,141)
Net gain/(loss) on cash flow hedges of an associate	228	422	228	267
Share of foreign exchange reserve deficit in an associate	102	--	329	--
Other comprehensive income for the period, net of tax	<u>330</u>	<u>(719)</u>	<u>557</u>	<u>(874)</u>
Total comprehensive income for the period	<u><u>9,848</u></u>	<u><u>33,454</u></u>	<u><u>103,891</u></u>	<u><u>122,751</u></u>
Total comprehensive income attributable to:				
Owners of the Company	7,705	30,785	80,901	111,322
Non-controlling interests	2,143	2,669	22,990	11,429
Total comprehensive income for the period	<u><u>9,848</u></u>	<u><u>33,454</u></u>	<u><u>103,891</u></u>	<u><u>122,751</u></u>
Earnings per ordinary share				
Basic	20	sen 1.90	sen 8.08	sen 20.58
Diluted	20	1.90	8.08	20.58
		sen 28.72		28.72

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 2015 - unaudited

	Note	As at end of Current Quarter 31/12/2015 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2014 RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment		347,364	336,534
Investment properties		102,838	39,768
Prepaid land lease payments		37,951	38,426
Investment in a joint venture		149,089	148,839
Investment in associates		983,443	950,719
Deferred tax assets		3,397	3,512
Goodwill on consolidation		184,407	184,407
Total Non-Current Assets		<u>1,808,489</u>	<u>1,702,205</u>
Current Assets			
Other investments		--	1,000
Property development costs		--	141,733
Inventories		182,166	182,534
Trade & other receivables and prepaid expenses		174,410	164,523
Amount owing by associates		11	20
Tax recoverable		12,528	11,108
Cash and bank balances		212,277	216,979
Deferred tax assets		--	8,881
Total Current Assets		<u>581,392</u>	<u>726,778</u>
TOTAL ASSETS	18	<u>2,389,881</u>	<u>2,428,983</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 2015 - unaudited

	Note	As at end of Current Quarter 31/12/2015 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		1,207,284	1,131,626
Equity attributable to owners of the Company		1,597,995	1,522,337
Non-controlling interests		267,804	253,025
Total Equity		1,865,799	1,775,362
Non-Current Liabilities			
Long term borrowings	22	266,751	302,471
Deferred tax liabilities		3,719	3,834
Provision for retirement benefits		3,176	3,001
Total Non-Current Liabilities		273,646	309,306
Current Liabilities			
Provision for liabilities		267	268
Short term borrowings	22	107,337	113,559
Trade & other payables and accrued expenses		142,210	229,728
Amount owing to holding company		206	220
Tax liabilities		416	540
Total Current Liabilities		250,436	344,315
Total Liabilities	18	524,082	653,621
TOTAL EQUITY AND LIABILITIES		2,389,881	2,428,983
Net assets per share (RM)		4.09	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 twelve months ended 31 December 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
12 months ended 31 December 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	--	--	--	--	--	--	(27,350)	(27,350)	--	(27,350)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--	--	(8,142)	(8,142)
Incorporation of subsidiary	--	--	--	--	--	--	--	--	30	30
Profit for the period - restated	--	--	--	--	--	--	112,222	112,222	11,403	123,625
Other comprehensive income for the period	--	--	--	--	--	241	(1,141)	(900)	26	(874)
Issue of shares:										
Exercise of warrants	--	--	--	--	--	--	--	--	--	--
Warrants exercised in a subsidiary	--	--	--	--	--	--	--	--	27	27
At 31 December 2014	390,711	500	44,585	--	681	(26)	1,085,886	1,522,337	253,025	1,775,362
12 months ended 31 December 2015										
At 1 January 2015										
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	--	--	--	--	--	--	--	--	(8,371)	(8,371)
Profit for the period	--	--	--	--	--	--	80,398	80,398	22,936	103,334
Other comprehensive income/(loss) for the period	--	--	--	--	297	206	--	503	54	557
Other adjustments	--	--	--	--	--	--	--	--	160	160
Issue of shares:										
Exercise of warrants	--	--	--	--	--	--	--	--	--	--
Warrants exercised in a subsidiary	--	--	--	--	--	--	--	--	--	--
At 31 December 2015	390,711	500	44,585	--	38,713	180	1,123,306	1,597,995	267,804	1,865,799

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 twelve months ended 31 December 2015 - unaudited

	2015 12 months ended 31/12/2015 Note	2014 12 months ended 31/12/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	103,334	123,625
Adjustments for :		
Income tax expense	19,653	8,558
Share of results of associates	(100,321)	(127,359)
Share of results of jointly controlled entity	(15,551)	(23,133)
Depreciation and amortisation	22,621	22,049
Other Non-cash items	15,065	2,724
Non-operating items	12,601	14,762
Operating profit before working capital changes	57,402	21,226
Changes in working capital		
Increase in property development costs	--	(57,155)
Decrease in trade & other receivables	72,624	18,614
(Increase) / Decrease in inventories	(5,409)	79,855
Decrease in trade & other payables	(84,106)	(9,307)
Net changes in other current assets & liabilities	157	(1,458)
Income tax refunded	950	6,310
Income tax paid	(12,323)	(14,208)
Net cash from operating activities	<u>29,295</u>	<u>43,877</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from associates	68,155	70,586
Dividends received from jointly controlled entity	15,300	10,200
Interest income	6,352	5,861
Purchase of property, plant & equipment	(18,164)	(28,409)
Additions to investment property	--	(7,691)
Proceeds from disposal of prepaid lease payments	--	61
Proceeds from disposal of other investment	1,000	--
Acquisition of associate	--	(1,200)
Incorporation of a subsidiary	--	30
Net cash from investing activities	<u>72,643</u>	<u>49,438</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(42,978)	(27,350)
Dividends paid to minorities of a subsidiary	(8,371)	(8,142)
Proceeds from issue of shares in a subsidiary to minorities	12	27
Finance costs	(20,517)	(20,806)
Bank borrowings	(35,657)	(62,495)
Net cash used in financing activities	<u>(107,511)</u>	<u>(118,766)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5,573)	(25,451)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>215,892</u>	<u>241,343</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u>210,319</u>	<u>215,892</u>
Cash and cash equivalents comprise :		
Cash and bank balances	23	216,979
Bank overdrafts	--	(1,087)
	<u>210,319</u>	<u>215,892</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 31 December 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 24 February 2016.

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:

	Par value RM	Period ended 31/12/2015	
		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 31 December 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 31 December 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 December 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.

11. Significant related party transactions

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

	Period ended 31/12/2015 RM'000
<u>Group</u>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	1,026,707
Sales to a subsidiary of Perodua	(1,295)
Sales to an associate of Perodua	(112,784)
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	30,147
Purchases from Toyota Tsusho Co., its subsidiaries and associates	7,480
Purchases from Toyota Tsusho (Malaysia), its subsidiaries and associates	2,055
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	149
Development expenses	--
	<hr/>
<u>Company</u>	
Gross dividends from:	
- subsidiaries	(29,883)
- associates	(54,396)
Management fees from:	
- subsidiaries	(204)
	<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 31 December 2015 is as follows :

	<u>RM'000</u>
Approved and contracted for	23,630
Approved and not contracted for	3,100
	<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 31 December 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	1,502,691	173,910	139,703	359	1,816,663
Results for reportable segments	6,529	(9,890)	33,573	(8,932)	21,280
Share of results of a jointly venture	--	15,551	--	--	15,551
Share of results of associates	100,321	--	--	--	100,321
Interest income	3,056	657	--	2,639	6,352
Finance costs	(1,716)	(3,994)	--	(14,807)	(20,517)
Profit/(loss) before tax for reportable segment	108,190	2,324	33,573	(21,100)	122,987
Depreciation and amortisation	(10,093)	(12,350)	(5)	(173)	(22,621)
Other significant non-cash items					
- Provisions	(13,836)	--	--	--	(13,836)
Capital expenditure	7,037	10,821	--	306	18,164
Segment assets	617,870	343,796	63,736	231,947	1,257,349
Jointly controlled entity	--	149,089	--	--	149,089
Investment in associates	937,017	46,426	--	--	983,443
Segment liabilities	(151,119)	(117,498)	(27,352)	(228,113)	(524,082)

Period ended 31 December 2014

	Motor Trading RM'000	Auto Parts Manufacturing RM'000	Property development RM'000	All others RM'000	Group RM'000
Revenues from external customers	1,614,156	159,988	--	--	1,774,144
Results for reportable segments	13,853	(10,148)	(675)	(7,049)	(4,019)
Share of results of a joint venture	--	23,133	--	--	23,133
Share of results of associates	125,316	2,043	--	--	127,359
Interest income	2,128	665	78	2,990	5,861
Finance costs	(2,237)	(3,409)	--	(14,505)	(20,151)
Profit/(loss) before tax for reportable segment	139,060	12,284	(597)	(18,564)	132,183
Depreciation and amortisation	(10,164)	(11,646)	(10)	(229)	(22,049)
Other significant non-cash items					
- Reversal of provisions	17	--	--	--	17
Capital expenditure	8,982	19,300	--	127	28,409
Segment assets	554,627	235,506	--	539,292	1,329,425
Jointly controlled entity	--	148,839	--	--	148,839
Investment in associates	904,271	46,448	--	--	950,719
Segment liabilities	(146,344)	(58,899)	--	(448,378)	(653,621)

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 31/12/2015 RM'000	Period ended 31/12/2014 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	1,816,304	1,774,144
All others	359	--
Revenue, as reported	<u>1,816,663</u>	<u>1,774,144</u>
<u>Profit or loss</u>		
Total profit for Group's reportable segments, including finance costs and interest income	28,215	255
All others	(21,100)	(18,564)
Share of results of jointly controlled entity	15,551	23,133
Share of results of associates	100,321	127,359
Profit before tax, as reported	<u>122,987</u>	<u>132,183</u>
<u>Assets</u>		
Total assets for Group's reportable segments	1,025,402	790,133
All others	231,947	539,292
Jointly controlled entity	149,089	148,839
Investment in associates	983,443	950,719
Total assets, as reported	<u>2,389,881</u>	<u>2,428,983</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	295,969	205,243
All others	228,113	448,378
Total liabilities, as reported	<u>524,082</u>	<u>653,621</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 31/12/2015 RM'000	Year to date 31/12/2015 RM'000
Current year's provision	1,904	19,653
Add : Under/(Over) provision in prior years	--	--
	1,904	19,653
Deferred taxation	--	--
Income tax expense	<u>1,904</u>	<u>19,653</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 31/12/2015 %	Year to date 31/12/2015 %
Statutory income tax rate in Malaysia	25.0	25.0
Adjustment for tax applicable to share of results in associates	(48.0)	(20.4)
Adjustment for tax applicable to share of results in jointly controlled entity	(8.0)	(3.2)
Expenses not deductible for tax purpose / (Income not subject to tax)	47.7	14.5
	<u>16.7</u>	<u>15.9</u>

20. Earnings per ordinary share (EPS)

	Quarter ended		Year to date 12 months ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Basic earnings per ordinary share				
Profit attributable to ordinary shareholders (RM'000)	7,409	31,550	80,398	112,222
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)	1.90	8.08	20.58	28.72

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

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

	Quarter ended		Year to date 12 months ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Diluted earnings per ordinary share				
Profit attributable to ordinary shareholders (RM'000)	7,409	31,550	80,398	112,222
Adjusted weighted average number of ordinary shares in issue and issuable	390,711	390,711	390,711	390,711
Diluted earnings per share (sen)	1.90	8.08	20.58	28.72

	No of ordinary shares of RM1.00 each	
	31/12/2015	31/12/2014
Weighted average number of ordinary shares	390,710,753	390,710,753
Adjustment for assumed exercise of warrants	--	--
Adjusted weighted average number of ordinary shares in issue and issuable	390,710,753	390,710,753

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	107,337	266,751
Unsecured	--	--
Total	<u>107,337</u>	<u>266,751</u>

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

23. Cash and Cash Equivalents

	The Group As at	
	31/12/2015 RM'000	31/12/2014 RM'000
Cash on hand and at at banks	102,024	119,559
Deposits with licensed banks	110,253	97,420
Cash and bank balances	212,277	216,979
Less : Bank overdrafts	(1,958)	(1,087)
Cash and cash equivalents	<u>210,319</u>	<u>215,892</u>
Cash and bank balances	212,277	216,979
Less :		
Total borrowings*	(374,088)	(448,341)
Net cash position (after total borrowings)	<u>(161,811)</u>	<u>(231,362)</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 16 February 2016, 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 December 2015 into realised and unrealised profits or losses.

	31/12/2015	
	The Group RM'000	The Company RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	586,230	294,185
Unrealised	5,290	(1,415)
Total retained earnings from the jointly controlled entity		
Realised	97,180	--
Unrealised	--	--
Total retained earnings from the associates		
Realised	819,240	--
Unrealised	(22,243)	--
Less : Consolidation adjustments	<u>(362,391)</u>	<u>--</u>
Total retained earnings as per statement of financial position	<u>1,123,306</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. Items to disclose in the Statement of Comprehensive Income

	Quarter ended		Year to date 12 months ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000	RM'000	RM'000
a) Interest income	1,561	1,371	6,352	5,861
b) Interest expense	(4,952)	(4,586)	(20,517)	(20,151)
c) Depreciation and amortisation	(5,275)	(5,699)	(22,621)	(22,049)
d) Provision for receivables	(9,532)	(1,179)	(9,532)	(1,179)
e) Provision for inventories	(4,304)	(1,248)	(4,304)	(1,248)
f) Product compensation claims	--	(3,625)	--	(3,625)

29. Dividend

The Board is pleased to declare a second interim dividend of 3.0 sen per share tax exempted (single tier dividend) amounting to approximately RM11,721,323 for the year ended 31 December 2015. The entitlement and payment date of the second interim dividend under the single-tier system shall be determined by the Directors and announced at a later date.

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

**WONG PEIR CHYUN
 COMPANY SECRETARY
 KUALA LUMPUR
 DATED : 24 FEBRUARY 2016**