



QUARTERLY ANNOUNCEMENT
For the first quarter ended 31 March 2016

Summary

- There was softer demand in the overall vehicle market in the current quarter after a higher sales performance in the Q1 2015 in anticipation of GST implementation in April 2015
- The Group's revenue for its on-going businesses declined 17.4% due to lower vehicle sales and production volumes
- The Group's results were also affected by adverse foreign exchange movements and losses from the OMI Group
- As a result, profit before tax for on-going businesses declined by 30.6%

Results

	Quarter ended 31 Mar			Year to date ended 31 Mar		
	2016	2015	Change	2016	2015	Change
	RM mil	RM mil	%	RM mil	RM mil	%
Revenue	373.9	591.7	(36.8)	373.9	591.7	(36.8)
<i>On going business</i>	373.9	452.5	(17.4)	373.9	452.5	(17.4)
<i>One-off property contribution</i>	--	139.3	->100.0	--	139.3	->100.0
Profit before tax	21.9	65.2	(66.3)	21.9	65.2	(66.3)
<i>On going business</i>	21.9	31.6	(30.6)	21.9	31.6	(30.6)
<i>One-off property contribution</i>	--	33.6	->100.0	--	33.6	->100.0
Profit for the period	20.9	50.0	(58.3)	20.9	50.0	(58.3)
Profit attributable to owners of the Company	18.4	35.1	(47.6)	18.4	35.1	(47.6)
Basic earnings per share	Sen	Sen	(47.6)	Sen	Sen	(47.6)
	4.7	9.0	(47.6)	4.7	9.0	(47.6)
Equity attributable to owners of the Company	As at 31 Mar 2016 RM mil	As at 31 Dec 2015 RM mil	0.3			
	1,568.8	1,563.6	0.3			
Net assets per share	RM	RM	0.3			
	4.02	4.00	0.3			

Performance of sales by operations

	Q1'16 vs Q4'15	Q1'16 vs Q1'15	YTD Mar'16 vs YTD Mar'15
Total Industry Volume (TIV) **	- 27.6	- 22.0	- 22.0
Total Industry Production (TIP) **	- 14.3	- 20.8	- 20.8
Total Group's Vehicles Sales	- 17.9	- 13.8	- 13.8
Subsidiaries			
DMSB - Daihatsu & Hino trucks	- 18.1	- 14.5	- 14.5
DMMS Perodua vehicles	- 18.3	- 12.2	- 12.2
Federal Auto : Volvo, Volkswagen & Mitsubishi vehicles	- 13.3	- 27.4	- 27.4
HASB	- 15.9	- 14.3	- 14.3
OMI	- 15.7	- 6.2	- 6.2
Service throughputs	- 1.4	+ 2.8	+ 2.8
Joint Venture			
AHSB	- 20.6	- 30.4	- 30.4
Associated companies			
Perodua vehicles	+ 13.8	+ 0.9	+ 0.9
Hino trucks and buses	- 37.9	+ 141.0	+ 141.0

Legend

DMSB : Daihatsu (Malaysia) Sdn Bhd
DMMS : DMM Sales Sdn Bhd
HASB : Hirotako Acoustics 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) 2016 and 2015

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For the first quarter ended 31 March 2016

Group Financial Performance

First quarter ended 31 March 2016 compared with first quarter ended 31 March 2015

	Revenue			Profit before tax		
	Quarter ended 31-Mar-16 RM'000	Quarter ended 31-Mar-15 RM'000	Change %	Quarter ended 31-Mar-16 RM'000	Quarter ended 31-Mar-15 RM'000	Change %
Consolidated Total	373,936	591,741	(36.8)	21,941	65,180	(66.3)
<u>Business segments:</u>						
Motor Trading	336,349	411,220	(18.2)	2,776	4,729	(41.3)
Auto Parts Manufacturing	37,557	40,690	(7.7)	(4,487)	(2,283)	(96.5)
Share of results of a joint venture				2,202	4,529	(51.4)
Share of results of associates				27,493	29,761	(7.6)
Others	30	139,831		(6,043)	28,444	(121.2)

Group

The Group's revenue declined by 36.8% to RM373.94 million. Profit before tax declined 66.3% to RM21.94 million. The decline was mainly due to the recognition of a one-off property contribution in Q1 2015, and lower vehicle sales and production volumes in the current quarter.

The share of the joint venture's results declined 51.4% to RM2.20 million due to lower production deliveries to its major customers.

Associates' results declined 7.6% to RM27.49 million, mainly affected by adverse foreign exchange movements.

The Group's gross debt to equity ratio as at 31 March 2016 was 20.2% compared with 23.6% as at the end of the same period last year.

Net assets per share rose to RM4.02 as at the end of 31 March 2016.

Motor Trading

The lower revenues of the motor trading division by 18.2% after a higher sales performance in the Q1 2015 in anticipation of the GST implementation in April 2015.

Auto Parts Manufacturing

Auto parts manufacturing division's revenue declined by 7.7% due to lower demand by major customers.

QUARTERLY ANNOUNCEMENT
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First quarter ended 31 March 2016 against previous quarter ended 31 December 2015

	Revenue			Profit before tax		
	Quarter ended 31-Mar-16 RM'000	Quarter ended 31-Dec-15 RM'000	Change %	Quarter ended 31-Mar-16 RM'000	Quarter ended 31-Dec-15 RM'000	Change %
Consolidated Total	373,936	437,730	(14.6)	21,941	18,670	17.5
<u>Business segments:</u>						
Motor Trading	336,349	389,141	(13.6)	2,776	(10,140)	127.4
Auto Parts Manufacturing	37,557	44,691	(16.0)	(4,487)	(4,000)	(12.2)
Share of results of a joint venture				2,202	3,642	(39.5)
Share of associates' results				27,493	23,691	16.0
Others	30	3,898		(6,043)	5,477	(210.3)

Group

The Group's revenue declined 14.6%, mainly due to lower revenues from motor trading by 13.6% and auto parts manufacturing by 16.0%. Profit before tax improved by 17.5% due to lower profit before tax in the preceding quarter impacted by impairment adjustments for stocks and receivables.

Motor Trading

Revenues and profit from motor trading declined by 13.6%. The decline was mainly due to softer demand in the current quarter where the spike in sales in the preceding quarter was due to the anticipation of price increases in 2016.

However, profit before tax improved 127.4% due to lower profit before tax in the preceding quarter impacted by impairment adjustments for stocks and receivables.

Auto Parts Manufacturing

Revenues declined 16.0% mainly due to lower demand by major customers.

PROSPECTS

Due to the uncertain economic outlook, the trading environment remain challenging as customer sentiment remains soft. Operating costs will continue to be affected by the uncertain exchange rate movements.

New and facelifted models to be introduced from within our marques in the second half are expected to benefit the Group's performance .

MBMR's priorities moving forward are to focus on prudent spending to manage operating costs and maintaining its market share.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the three months ended 31 March 2016 - unaudited

		(Unaudited)		(Unaudited)
	Current	Comparative	3 months	Comparative
	Quarter	Quarter	Cumulative	3 months
	Ended	Ended	To Date	Cumulative
	31/3/2016	31/3/2015	31/3/2016	To Date
Note	RM'000	RM'000	RM'000	RM'000
Revenue	373,936	591,741	373,936	591,741
Cost of sales	<u>(348,358)</u>	<u>(526,029)</u>	<u>(348,358)</u>	<u>(526,029)</u>
Gross profit	25,578	65,712	25,578	65,712
Other income	6,191	6,781	6,191	6,781
Administrative and other expenses	(22,872)	(20,596)	(22,872)	(20,596)
Selling and marketing expenses	(13,631)	(17,316)	(13,631)	(17,316)
Finance costs	(4,486)	(5,257)	(4,486)	(5,257)
Interest income	1,466	1,566	1,466	1,566
Share of results of a joint venture, net of tax	2,202	4,529	2,202	4,529
Share of results of associates, net of tax	<u>27,493</u>	<u>29,761</u>	<u>27,493</u>	<u>29,761</u>
Profit before tax	21,941	65,180	21,941	65,180
Income tax expense	<u>(1,084)</u>	<u>(15,191)</u>	<u>(1,084)</u>	<u>(15,191)</u>
Profit for the period	<u>20,857</u>	<u>49,989</u>	<u>20,857</u>	<u>49,989</u>
Profit attributable to:				
Owners of the Company	18,397	35,140	18,397	35,140
Non-controlling interests	<u>2,460</u>	<u>14,848</u>	<u>2,460</u>	<u>14,848</u>
Profit for the period	<u><u>20,857</u></u>	<u><u>49,988</u></u>	<u><u>20,857</u></u>	<u><u>49,988</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 2016 - unaudited

	Note	Current Quarter Ended 31/3/2016 RM'000	(Unaudited) Comparative Quarter Ended 31/3/2015 RM'000	3 months Cumulative To Date 31/3/2016 RM'000	(Unaudited) Comparative 3 months Cumulative To Date 31/3/2015 RM'000
Profit for the period		20,857	49,989	20,857	49,989
Other comprehensive (loss)/income, net of tax					
<i>Item that will not be reclassified subsequently to profit or loss:</i>		--	--	--	--
Net gain/(loss) on cash flow hedges and revaluation of an associate		(1,747)	--	(1,747)	--
Other comprehensive income for the period, net of tax		(1,747)	--	(1,747)	--
Total comprehensive income for the period		<u>19,110</u>	<u>49,989</u>	<u>19,110</u>	<u>49,989</u>
Total comprehensive income attributable to:					
Owners of the Company		16,874	35,095	16,874	35,115
Non-controlling interests		<u>2,236</u>	<u>14,894</u>	<u>2,236</u>	<u>14,874</u>
Total comprehensive income for the period		<u>19,110</u>	<u>49,989</u>	<u>19,110</u>	<u>49,989</u>
Earnings per ordinary share		sen	sen	sen	sen
Basic	20	4.71	8.99	4.71	8.99
Diluted	20	4.71	8.99	4.71	8.99

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 31 March 2016 - unaudited

	Note	As at end of Current Quarter 31/3/2016 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2015 RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment		352,956	356,132
Investment properties		68,026	67,887
Prepaid land lease payments		37,773	37,908
Investment in a joint venture		135,991	149,089
Investment in associates		1,010,661	984,916
Deferred tax assets		4,423	4,423
Goodwill on consolidation		182,358	182,358
Total Non-Current Assets		<u>1,792,188</u>	<u>1,782,713</u>
Current Assets			
Inventories		215,795	165,614
Trade & other receivables and prepaid expenses		157,184	169,901
Amount owing by associates		--	11
Tax recoverable		9,093	8,316
Cash and bank balances		209,689	211,801
Total Current Assets		<u>591,761</u>	<u>555,643</u>
TOTAL ASSETS	18	<u><u>2,383,949</u></u>	<u><u>2,338,356</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 March 2016 - unaudited

	Note	As at end of Current Quarter 31/3/2016 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2015 RM'000
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Share capital		390,711	390,711
Reserves		1,178,064	1,172,911
Equity attributable to owners of the Company		1,568,775	1,563,622
Non-controlling interests		268,239	265,663
Total Equity		1,837,014	1,829,285
Non-Current Liabilities			
Long term borrowings	22	257,948	262,183
Deferred tax liabilities		5,063	5,063
Provision for retirement benefits		2,965	2,965
Hire purchase payables - non-current portion		39	43
Total Non-Current Liabilities		266,015	270,254
Current Liabilities			
Provision for liabilities		267	268
Short term borrowings	22	112,460	110,172
Trade & other payables and accrued expenses		167,096	126,672
Amount owing to holding company		129	192
Hire purchase payables - current portion		15	14
Tax liabilities		953	1,499
Total Current Liabilities		280,920	238,817
Total Liabilities	18	546,935	509,071
TOTAL EQUITY AND LIABILITIES		2,383,949	2,338,356
Net assets per share (RM)		4.02	4.00

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 2016 - unaudited

Note	Share capital RM'000	/----- Non-distributable -----/					Distributable reserve - Retained earnings RM'000	Attributable to the equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
		Share premium RM'000	Warrants reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Hedging reserve RM'000				
3 months ended 31 March 2015										
At 1 January 2015	390,711	500	44,585	--	681	(26)	1,085,886	1,522,337	253,025	1,775,362
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 - restated	--	--	--	--	--	--	35,140	35,140	14,848	49,988
Other comprehensive income for the period	--	--	--	--	--	--	--	--	--	--
Total comprehensive income	--	--	--	--	--	--	35,140	35,140	14,848	49,988
Warrants exercised in a subsidiary	--	--	--	--	--	--	--	--	--	--
At 31 March 2015	<u>390,711</u>	<u>500</u>	<u>44,585</u>	<u>--</u>	<u>38,651</u>	<u>(26)</u>	<u>1,105,398</u>	<u>1,579,819</u>	<u>267,873</u>	<u>1,847,692</u>
3 months ended 31 March 2016										
At 1 January 2016	390,711	500	44,585	--	978	(62)	1,126,910	1,563,622	265,663	1,829,285
Dividends distributed to owners of the Company	--	--	--	--	--	--	(11,721)	(11,721)	--	(11,721)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--	--	--	--
Profit for the period	--	--	--	--	--	--	18,397	18,397	2,460	20,857
Other comprehensive income/(loss) for the period	--	--	--	--	(1,573)	50	--	(1,523)	(224)	(1,747)
Total comprehensive income	--	--	--	--	(1,573)	50	18,397	16,874	2,236	19,110
Warrants exercised in a subsidiary	--	--	--	--	--	--	--	--	340	340
At 31 March 2016	<u>390,711</u>	<u>500</u>	<u>44,585</u>	<u>--</u>	<u>(595)</u>	<u>(12)</u>	<u>1,133,586</u>	<u>1,568,775</u>	<u>268,239</u>	<u>1,837,014</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended 31 March 2016 - unaudited

	2016 3 months ended 31/3/2016 RM'000	2015 3 months ended 31/3/2015 RM'000
Note	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	20,857	49,988
Adjustments for :		
Income tax expense	1,084	15,191
Share of results of associates	(27,493)	(29,761)
Share of results of jointly controlled entity	(2,202)	(4,529)
Depreciation and amortisation	5,904	5,444
Other Non-cash items	1,422	--
Non-operating items	<u>3,007</u>	<u>3,701</u>
Operating profit before working capital changes	2,579	40,034
Changes in working capital		
Decrease in trade & other receivables	12,732	134,543
(Increase) / Decrease in inventories	(51,577)	44,611
Increase / (Decrease) in trade & other payables	41,447	(47)
Net changes in other current assets & liabilities	(67)	(116,974)
Income tax refunded	360	1,167
Income tax paid	<u>(2,767)</u>	<u>(5,266)</u>
Net cash from operating activities	<u><u>2,707</u></u>	<u><u>98,068</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from associates	--	--
Dividends received from jointly controlled entity	15,300	--
Interest income	1,466	1,566
Purchase of property, plant & equipment	(2,461)	(3,042)
Additions to investment property	(541)	(53,787)
Proceeds from disposal of property, plant & equipment	42	--
Proceeds from disposal of other investment	--	373
Net cash from investing activities	<u><u>13,806</u></u>	<u><u>(54,890)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(11,721)	(15,628)
Proceeds from issue of shares in a subsidiary to minorities	340	--
Finance costs	(4,486)	(5,257)
Bank borrowings	(4,236)	7,496
Hire-purchase payables	<u>(4)</u>	<u>68</u>
Net cash used in financing activities	<u><u>(20,107)</u></u>	<u><u>(13,321)</u></u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(3,594)	29,857
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>211,518</u>	<u>217,606</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u><u>207,924</u></u>	<u><u>247,463</u></u>
Cash and cash equivalents comprise :		
Cash and bank balances	23	209,689
Bank overdrafts	--	(1,765)
	<u>207,924</u>	<u>250,765</u>
	<u><u>207,924</u></u>	<u><u>247,463</u></u>

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 2016 consist of the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in jointly venture and associates.

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

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 2015.

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 2015.

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 2015 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 31/3/2016	
		Number of shares '000	Share Capital RM'000
Ordinary shares			
As at 1 January 2016	1.00	390,711	390,711
Conversion of warrants	1.00	-	-
As at 31 March 2016	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 March 2016 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 2016 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 March 2016, the Group and the Company had the following transactions with related parties :

	Period ended 31/3/2016 RM'000
<u>Group</u>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	260,372
Sales to a subsidiary of Perodua	15
Sales to an associate of Perodua	4,155
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	8,536
Purchases from Toyota Tsusho Co., its subsidiaries and associates	1,595
Purchases from Toyota Tsusho (Malaysia), its subsidiaries and associates	342
Sales to Toyota Tsusho Co., its subsidiaries and associates	82
Central Motor Wheels Co, a minority shareholder:	
Royalty fee payable	--
Technical fee and design fee payable	--
Development expenses	--
<u>Company</u>	
Gross dividends from:	
- subsidiaries	15,300
- associates	--
Management fees from:	
- subsidiaries	66

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 2016 is as follows :

	<u>RM'000</u>
Approved and contracted for	9,560
Approved and not contracted for	20,574
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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 2016

	Motor Trading RM'000	Auto Parts Manufacturing RM'000	Property development RM'000	All others RM'000	Group RM'000
Revenues from external customers	336,349	37,557	--	30	373,936
Results for reportable segments	2,214	(3,710)	--	(3,238)	(4,734)
Share of results of a jointly venture	--	2,202	--	--	2,202
Share of results of associates	27,493	--	--	--	27,493
Interest income	943	164	--	359	1,466
Finance costs	(381)	(941)	--	(3,164)	(4,486)
Profit/(loss) before tax for reportable segment	30,269	(2,285)	--	(6,043)	21,941
Depreciation and amortisation	(2,404)	(3,084)	--	(416)	(5,904)
Other significant non-cash items					
- Provisions	--	--	--	--	--
Capital expenditure	1,833	957	--	212	3,002
Segment assets	647,005	342,284	19,367	228,641	1,237,297
Jointly controlled entity	--	135,991	--	--	135,991
Investment in associates	962,762	47,839	--	60	1,010,661
Segment liabilities	(194,244)	(120,023)	(6,795)	(225,873)	(546,935)

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 a joint venture	--	4,529	--	--	4,529
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	2,246	33,501	(5,057)	65,180
Depreciation and amortisation	(2,336)	(3,072)	(1)	(35)	(5,444)
Other significant non-cash items					
- Provisions	1	--	--	--	1
Capital expenditure	1,674	1,368	--	--	3,042
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)

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 31/3/2016 RM'000	Period ended 31/3/2015 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	373,906	451,910
All others	30	--
Revenue, as reported	<u>373,936</u>	<u>451,910</u>
<u>Profit or loss</u>		
Total profit for Group's reportable segments, including finance costs and interest income	(1,711)	35,947
All others	(6,043)	(5,057)
Share of results of jointly controlled entity	2,202	4,529
Share of results of associates	27,493	29,761
Profit before tax, as reported	<u>21,941</u>	<u>65,180</u>
<u>Assets</u>		
Total assets for Group's reportable segments	1,008,656	1,031,820
All others	228,641	240,836
Jointly controlled entity	135,991	153,367
Investment in associates	1,010,661	980,715
Total assets, as reported	<u>2,383,949</u>	<u>2,406,738</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	321,062	288,301
All others	225,873	270,743
Total liabilities, as reported	<u>546,935</u>	<u>559,044</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 2015. 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 31/3/2016 RM'000	Year to date 31/3/2016 RM'000
Current year's provision	1,084	1,084
Add :		
Under/(Over) provision in prior years	--	--
	1,084	1,084
Deferred taxation	--	--
Income tax expense	<u>1,084</u>	<u>1,084</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 31/3/2016 %	Year to date 31/3/2016 %
Statutory income tax rate in Malaysia	25.0	25.0
Adjustment for tax applicable to share of results in associates	(31.3)	(31.3)
Adjustment for tax applicable to share of results in jointly controlled entity	(2.5)	(2.5)
Expenses not deductible for tax purpose / (Income not subject to tax)	13.8	13.8
	<u>5.0</u>	<u>5.0</u>

20. Earnings per ordinary share (EPS)

	Quarter ended		Year to date 3 months ended	
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
Basic earnings per ordinary share				
Profit attributable to ordinary shareholders (RM'000)	18,397	35,140	18,397	35,140
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)	4.71	8.99	4.71	8.99

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	
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
Diluted earnings per ordinary share				
Profit attributable to ordinary shareholders (RM'000)	18,397	35,140	18,397	35,140
Adjusted weighted average number of ordinary shares in issue and issuable	390,711	390,711	390,711	390,711
Diluted earnings per share (sen)	4.71	8.99	4.71	8.99

	No of ordinary shares of RM1.00 each	
	31/3/2016	31/3/2015
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	112,460	257,948
Unsecured	--	--
Total	<u>112,460</u>	<u>257,948</u>

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

23. Cash and Cash Equivalents

	The Group As at	
	31/3/2016 RM'000	31/3/2015 RM'000
Cash on hand and at at banks	83,173	100,560
Deposits with licensed banks	126,516	150,205
Cash and bank balances	209,689	250,765
Less : Bank overdrafts	(1,765)	(3,302)
Cash and cash equivalents	<u>207,924</u>	<u>247,463</u>
Cash and bank balances	209,689	250,765
Less :		
Total borrowings*	(370,408)	(448,341)
Net cash position (after total borrowings)	<u>(160,719)</u>	<u>(197,576)</u>

(Note * Total borrowings include hire-purchase payables)

24. Off balance sheet financial instruments

The Group does not have any other financial instruments which are not within the scope of MFRS 139 with off balance sheet risk as at 10 May 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 March 2016 into realised and unrealised profits or losses.

	31/3/2016	
	The Group RM'000	The Company RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	659,303	293,911
Unrealised	(3,873)	(1,400)
Total retained earnings from the jointly controlled entity		
Realised	84,081	--
Unrealised	--	--
Total retained earnings from the associates		
Realised	780,279	--
Unrealised	(81,889)	--
Less : Consolidation adjustments	<u>(304,315)</u>	<u>--</u>
Total retained earnings as per statement of financial position	<u>1,133,586</u>	<u>292,511</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 3 months ended	
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
	RM'000	RM'000	RM'000	RM'000
a) Interest income	1,466	1,566	1,466	1,566
b) Interest expense	(4,486)	(5,257)	(4,486)	(5,257)
c) Depreciation and amortisation	(5,904)	(5,444)	(5,904)	(5,444)

28. Dividend

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

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

**WONG PEIR CHYUN
 COMPANY SECRETARY
 KUALA LUMPUR
 DATED : 18 MAY 2016**